Daily Report

Latin America

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FBIS-LAT-95-121 *23 June 1995*

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Rio Protocol Guarantor Country Representatives Meet

PY2306011895 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 22 Jun 95

[FBIS Translated Text] The guarantor countries of the Rio de Janeiro Protocol are meeting in Brasilia to evaluate the peace agreement between Ecuador and Peru. The guarantor country group is made up of the United States, Brazil, Argentina, and Chile. Their representatives are meeting in Brasilia to evaluate the progress attained in the peace process between Peru and Ecuador based on the peace declarations of Itamaraty and Montevideo.

Itamaraty spokesperson Vera Machado said the following:

[Begin Machado recording] This meeting that is now taking place is very important because it is the first time that the diplomats will meet with the technical-military group to evaluate the progress attained so far in seeking a lasting peace between the two countries. [end recording]

The meeting is being attended by, among others, Ecuadoran Vice Foreign Minister Marcelo Fernandez Cordoba; Peruvian Vice Foreign Minsiter Eduardo Ponce Vivanco; and Division General Francisco Stuart Campbel Pamplona, who is the coordinator general of the military observers mission.

Central American Exports To U.S. May Decline

PA2206144695 San Pedro Sula TIEMPO (MARTES FINANCIERO Supplement) in Spanish 20 Jun 95 p 2

[Unattributed report: "$42 Million To Be Lost in Meat Exports"]

[FBIS Translated Text] Central American countries, under the new trading conditions established in the latest Uruguay Round, will be unable to export all their exportable meat supplies to the United States free from taxes. This may result in a $42 million reduction in income for these countries.

This is one of the conclusions of a document prepared by the Inter-American Institute for Agricultural-Livestock Cooperation (IICA) discussed recently by regional agriculture ministers.

According to this study, Central American countries have lost individual access to the U.S. market, the largest in the world, under the current conditions of world trade.

In addition, the preferential tariff quota is equal to or less than real Central American exports to the United States in the years 1993 and 1994.

Central American exports to the U.S. market for 1993-94 totaled 66,000 metric tons of beef, which exceed by 1,195 metric tons the minimum consolidated volume established in the GATT for the group of countries comprising the region.

This means the preferential tariff export quotas are less than or equal to Central American exports in the latest two years, which is not in keeping with the growth of beef production in the region.

For the 656,621 metric tons quota established in the Uruguayan Round, the United States determined that tariffs will fluctuate between 4-10 percent. Outside of this quota, tariffs are much higher, close to 30 percent.

With a 30 percent tariff, Central American businessmen would simply prefer not to export beef, economists have said.

Unfair Agreement

Instead of granting Central American countries preferential treatment to those countries categorized as developing nations, with two of them categorized as less developed countries, the Uruguayan Round Agreement consolidates the erosion of the already established benefits regarding their main competitors in the U.S. meat market, Australia and New Zealand.

These unfair conditions of the international beef market will remain until the year 2000.

With these agreements, the rapid growth of meat exports of countries such as Nicaragua and Honduras could be adversely affected, analysts have said.

Minimum access of beef to the United States was set at 656,600 metric tons. This figure represents 5.7 percent of domestic consumption in the base year of the negotiation, namely 1986-88.

The distribution agreed upon in the Uruguayan Round grants 591,600 metric tons to New Zealand and Australia, which represents 90.1 percent of the total and only 64,800 metric tons to "other nations." This figure represents 9.9 percent of total beef exports. Central America, the Dominican Republic, and Israel, among others, are included in the "other countries" category.

In addition to the 655,221 ton minimum access, the United States has granted Argentina and Uruguay 20,000 tons per year, subject to certain U.S. sanitary requirements.

Choice Cuts

One of the objectives of the IICA study is to study the benefits of bringing in choice cuts of U.S. beef

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to the Central American market, under the principle of reciprocity.

"This study will be used as a basis for negotiating an increase in duty free Central American export quotas with the United States."

This means Central America will negotiate importing choice cuts of U.S. beef, in exchange for increased access to U.S. markets, in light of the disadvantages presented during the Uruguay Round.

If the United States granted an additional 20,000 tons per year, over the quotas set by the Uruguay Round, there is a possibility the Central American nations could increase their beef export quotas with the right kind of negotiation efforts. In doing so, they would not lose the $42 million noted above.

The study states that preferential access to the Central American market could mean $18 million-$34 million per year for the U.S. beef industry in the coming decade.

It adds that "if the total fixed quota were to be complemented with "choice" or "prime" cut imports, local consumption would be affected by 23 percent in 1995 and by 34 percent by the year 2000."

"To improve fixed quotas of foreign beef imports, it would be necessary to apply a maximum 20 percent duty tax, and even less than that, given the difference in choice and regular cut prices."

Beef Trading

Central American beef exports to the U.S. market during 1994 totaled 64,013 tons, 35.1 percent of which came from Costa Rica; 31.0 percent from Nicaragua; 25.0 percent from Honduras; and 8.4 percent from Guatemala.

The U.S. market consumed 69 percent of Central America's beef exports from 1988 to 1992. In the years prior to that, it took in over 90 percent.

In addition to the internal trade within the region, all other imports of beef cuts and by-products come from the United States.

The apparent total consumption of beef in Central America from 1990-95 was 171,600 tons. By the year 2000, that figure is expected to be 215,000 tons.

The Central American country with the largest beef consumption is Costa Rica, followed by Guatemala. El Salvador is in the middle, and Honduras and Nicaragua registered the lowest beef consumption figures.

Uruguayan President Defends Clearer Mercosur Trade Rules

PY2306012095 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 22 Jun 95

[FBIS Translated Text] Uruguayan President Julio Maria Sanguinetti today said in Porto Alegre that the Mercosur [Common Market of the South] needs clearer trade rules. Today he met with Rio Grande do Sul Governor Antonio Brito and visited the legislative assembly and the courts in Porto Alegre.

Sanguinetti defended the integration of the Mercosur member countries and the creation of clearer trade rules for the definite implementation of a common market in the Southern Cone. The Uruguayan president criticized the great world economic powers which, in his opinion, preach free trade but do not practice it, since they subsidize their exports.

Sanguinetti believes that the Mercosur countries should defend an honest and legitimate free trade. He believes that these will be the great challenges for Brazil, Uruguay, Argentina, and Paraguay in this integration process.

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Cuba

Ministry Denounces Helms-Burton Bill; Spokesman Cited

PA2206222995 Havana PRENSA LATINA in Spanish 1909 GMT 22 Jun 95

[FBIS Translated Text] Havana, 22 Jun (PL) — The Cuban Foreign Ministry has denounced the Helms-Burton bill as an attempt to put the world on trial. The bill is directed at intensifying the U.S. embargo by waging sanctions against third countries that trade with the Caribbean island.

Foreign Ministry Spokesman Rafael Dauza has charged that anti-Cubans (sectors) want to put the world on trial with their extraterritorial, anti-Cuban interference. He has warned the text of the new bill seeks to extend the pressure to those who have contact with Cuba.

The bill, sponsored by Senator Jesse Helms and Representative Dan Burton, is up for a vote at the House Foreign Relations Committee. It expands the term traffic to include any commercial transaction with this country.

Dauza has said governments, legislatures, political parties, personalities, institutions, and pro-Cuba solidarity movements in more that 115 nations have expressed their indignation of the new attempt to economically drown the largest of the Caribbean islands.

The Foreign Ministry official has said it seems incredible that this document would be put to vote amid such international rejection. He has spotlighted the fact that he has found no words of support for this new aggression against the Cuban revolution anywhere else on the globe besides the few anti-Cuban circles in the United States.

Dauza has said the new text of the bill gives the term trafficking a new twist and extends its scope to include "making a profit from others who are trafficking" Cuban products. This broadens the possibility of bringing people to trial in U.S. courts.

If the bill is approved, including this part of the definition, companies and banks based in third countries, as well as company executives, could be put on trial. The threat includes companies that provide any kind of service to Cuba, such as shipping companies that carry merchandise to Cuba.

Robaina Speech on 'Participative Democracy'

PA2306011595 Havana PRENSA LATINA in Spanish 0922 GMT 21 Jun 95

[Speech by Cuban Foreign Minister Roberto Robaina, opening the Conference on Participative Democracy, in Cuenfuegos on 16 June, as published by GRANMA]

[FBIS Translated Text] Cienfuegos, as you see, continues to be the pearl of the south. It has not lost its sea or its seagulls, nor has it lost that festive and folkloric promenade that characterizes it. The only difference is that today there are more buildings, factories, and schools, and Cayo Coco is no longer a military base. It is now a museum where the history of this island, which reverberates and resonates, is made tangible. Welcome to the beautiful and hospitable city of the sea, which is today the new and dignified host of this Conference on Participative Democracy.

We live in an extraordinary world and time in which what one sees, hears, or reads is not exactly what is happening, but what "someone" wants us to know. We live in a world and time in which words, also corrupted by usage, have different meanings for that same "someone."

We definitely live in a world of science fiction, where everyone, if it were possible, should wear the same clothes; eat the same canned food, even if it gives you cancer; and watch the same television, including the "beauty" of peacekeeping operations and the announcements of things both absurd and unattainable. This is a world that claims to be pluralistic, one in which, in the name of that same plurality, it is believed we all should have the same ideas, the same parties, and the same democracy as minimum conditions to be accepted by those "someones" who plan to be not only the masters and rulers of the planet, but also of democracy itself.

Nevertheless, we are surviving, although many do not admit it or want to admit it. The revolution lives in Cuba — a small country that has the honor of being and wanting to continue being different from what is sold on television; a country that has not lost its ability to make its voice heard and that has not renounced and never will renounce its socialism.

I am tired of hearing the most informed and respectable orators in the world asking when is Cuba going to change, when will Cuba talk to its emigres, and when will Cuba put issues like democracy up for discussion. Evidently, many of these blind and deaf people, by vocation, have not wanted to learn that since 1992 there have been seminars and workshops on participative democracy in our country. They plan to ignore that there is a Nicolas Rios and an excellent magazine

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called "CONTRAPUNTO" (directed by him and edited in Miami). Also, I should add: They do not even want to know about that concept called "participative democracy."

We should get to the bottom of these words, to their roots, and tell these people, without reservation, that we, in Cuba, with all of our faults, take great pride in having a broadly participative democratic system — I repeat, with all of its faults included.

I echo a statement made a few days ago by Comrade (Vice President Carlos) Lage: A democracy that has not only been participative, but has been, since its beginning, a broad social democracy.

A democracy working for society and not concealed behind society — a democracy that socializes participation in power, all the way from administrative decisions, through the ownership of the means of production and the fruits of production, to the weapons used to defend that same democracy. A democracy that defends the society of which Fidel conceived early on as a society of the humble, for the humble, and by the humble — namely, the society of everyone for the good of everyone, which Marti had wanted.

A democracy that, even in its proportion of representation, takes into account social concepts in the sense that its representatives, those elected by the people, represent different sectors of society. We are talking about a social and multi-participative democracy which must continue to perfect itself and to which we all have a right and obligation to contribute.

This is how we view these seminars and workshops on participative democracy.

That is why we welcome the great efforts of Amalio Fiallo and the Pro-Mankind Foundation (the center he directs in Caracas), the interest and essential contribution of our friends Gerald Moser and Hanns Seidel Foundation, and the love of so many people committed to this beautiful project.

We also welcome this not with mere words, but also with the will of the Cuban authorities, as displayed by the direct participation of members of the party and the government, both from the national and provincial levels, in each of these conferences.

These past few days, with the help of CONTRAPUNTO, I have been reviewing the history of the symposiums and workshops on participative democracy. Many things have been said and done at these meetings which have exceeded our expectations — things that have transpired in an interesting fashion, as has already been noted here — and an objective and academic debate has been held to turn these meetings into exemplary exchanges of different practical ideas and experiences whose purpose is a shared objective — namely, the Cuban fatherland.

The participation of Cubans from both inside and outside of Cuba, with full and equal rights and the chance to contribute various honest opinions, make these events an unparalleled experience that the self-styled champions of the so frequently touted freedom of speech cannot even imagine.

Through the doors opened by Cuba via these symposiums and workshops on participative democracy, many more things have entered. A magnificent rapprochement and mutual confidence between Cubans has entered through these doors. Also entering these doors has been a true workshop in which respect for different ideas has been forged — a workshop in which we established an environment that facilitates sweeping debate based on reason, flexibility, and tolerance — and we should add that we did this without fear.

Friends of Pro-Mankind and Hanns Seidel cannot imagine the contributions they have made and should continue to make through their presence in our country. The daring decision adopted to face the challenge despite all obstacles, criticism, and pressure has been greatly rewarded. Life has shown that those who came up with the idea were correct to envision a Cuba that serves as fertile ground in which the seed of participative democracy can flourish.

We have shown that we can and know how to talk openly without any subject being forbidden. The much discussed issue of a multiple-party system versus a one-party system was debated in these workshops. Each person dispassionately expressed what he believed. Opinions on this could not be identical, because we have totally different points of view. Nevertheless, this is precisely where the benefit of these exchanges lies — in the fact that each of us can learn what another person believes, and that we have sufficient intelligence to reach our own conclusions and understand the best parts of each argument.

Within this laboratory, we have proven something Cuba reiterates vigorously in every discussion and at every international forum. For us, in effect, there are no forbidden subjects. What we do not accept is that subjects are imposed on us, or that we can be ignored when the time comes to discuss them, because if this happens, then there is no dialogue.

Many people who want to teach us about a new culture based on dialogue are, in actuality, proposing monologues. In most cases, in the name of that culture

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based on dialogue, some people believe that talking with Cuba means that only one party does the talking and only his opinion is heard, as if we have nothing to say, or as if what we have to say is not worth listening to.

It would be healthy for people to approach us, ask us questions, and give us their honest opinions. Likewise, they should express their differences with Cuba. Meanwhile, we also have questions to ask, opinions to give, and the right to express any differences we might also have with these people.

Based on equality and mutual respect, we are willing to speak to anyone on any subject, but we must make it very clear that neither our independence, nor the nation's sovereignty, nor our socialism — things which, as the poet says, are not the same, but are the same — is negotiable.

Luis Ortega, a man who is very involved with these meetings, had the perception to conclude, in one of his usual enlightening articles in CONTRAPUNTO, that Cuba's history, including the history of the revolution, has been and continues to be the struggle of our people for the sovereignty and independence of the Cuban nation.

Whoever understands this will understand many things. He will understand that this is a majority decision made at the national level and upheld in the international arena, which, by the way, has little resemblance to an arena. It is more like a great international quagmire. Only in this way can it be understood why we were able to sit and negotiate with the United States regarding the migration issue to reach a mutually advantageous agreement.

The myth of our lack of communication with that country once again reveals its feet of clay, not because Cuba made any concessions or because the U.S. Government is any weaker, as some would have us believe, but because life itself has shown the value of reason over folly.

A 180-degree turn has taken place in the more than 30-year-old U.S. immigration policy. For the first time since 1959, the interests of the United States won out over the interests of the majority of Cuban-born mafiosi.

These agreements contribute additional positive legal elements in terms of relations between the nation and its emigrants in the United States, eliminating most of the distortions and double-talk to which Cuban policy has had to submit itself along with all of its citizens in every part of the world.

As you will understand, this facilitates our work with other communities and helps us to better guide Cuba's resolve at home and abroad toward what should be a common goal at this time: to save our fatherland.

This is an unusual opportunity for us to work together against a stigma common to all Cubans: the U.S. economic, trade, and financial blockade and its most recent, insane, and monstrous expression, the Helms-Burton bill.

I will not go into details, but according to U.S. State Department calculations, the total number of claims contained in this document surpass $100 billion. We need not go very far to realize that not even in a century could our great-grandchildren pay this compensation, even if the revolution no longer existed, to finally have the U.S. lift its blockade.

By the way, thanks to those amateur wizards Helms and Burton, the compensation contained in the text includes the properties of Batista's supporters who fled at midnight on New Year's Eve in 1959, as well as the small grocery stores and fried food stands owned by anyone, and the claims of international companies and U.S. citizens.

If this "antibill" is approved and assuming that a fictitious Cuban Government had the resolve and unbelievable resources to pay these claims within 100 years, the 18.5 million Cubans who would be born during that century would be doomed from the very beginning of their lives to be the U.S. empire's slaves.

I am amazed at the existence of hysterical individuals who still believe they own this country; the first thing they do to win points with the ultra right wing, which has more resources than people, is to declare that they owned this and lost that. I am amazed that any of those Cubans would say he owned a large business. Behind every political career that has been turned into a business, particularly in Miami, there is someone who claims to have been the owner of a mill. It turns out now that there are more owners than mills.

My friends, you will understand that even convinced capitalists would find it very difficult to digest a predatory policy expressed in such a brutal document. It is absurd, irrational, and ridiculous. It is naked politics, politics free of clothes or shadings, or fig leaves; it is political pornography.

In order to promote such a monster, certain figures have pawned their money and their scarce shame. As Marti would have said, they deserve at least to be branded on their behinds like cattle for being apostates and traitors to their fatherland, since it is impossible for the fatherland's forefathers to rise up from their tombs and, as the apostle [Marti] would have liked, take them underground with one slap.

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These are the same people who are behind the scandal of the infamous video which, fortunately, gave us more than it took away. It gave Cuba and the world a wonderful lesson on the meaning of the Cuban mafia in Miami: intolerance and totalitarianism.

Therefore, nothing today can more unite true Cubans today at home and abroad like denunciation and condemnation in every possible forum, news media, and scenario of the crime that is being perpetrated against their fatherland.

It is no longer even a matter of discussing changes and speed, democracy, government, economics, and opportunities. All of these are at stake.

It is a matter today of saving Cuba's independence, freedom, sovereignty, and self-determination, and this is the sacred call for those who, even if they are far away have not erased from their memory the whisper of palm trees, the blue sky and sea, and the Cuban people's irredeemable joy.

Therefore, I reiterate in your presence what I said at the first The Nation and Migration conference; that our decision to normalize relations with Cubans living abroad goes beyond any aspect of Cuba's relations, or better said, its non-relations with the United States.

We have worked with responsibility and enthusiasm during the past year to comply with the April 1994 agreement. Since then, exchanges have increased as never before between Cubans at home and abroad and that, as Lazaro Farinas once said, there is true dialogue, true meetings among Cubans.

On that list I include important events like "Afro-Cuban Roots and Migration," the "Jose Marti and the Challenges for the 21st Century" conference, and "Culture and National Identity," which will take place within the next few weeks, not to mention the dozens of visits you have made to Cuba or our visits to the main emigre communities, and meetings at home and abroad. Therefore, while I can tell you that Cuba has done its part, I can also say that the main restrictions are currently on the U.S. side, which objectively limits the progress we can make.

The summons to a Second Nation-Emigre Conference is another confirmation that there is a real desire for continuity. We have already initiated the organization and consultation stages in order to ensure the success of the next meeting. On this occasion, the consultation process will include many of the emigres who have been working with us during this past year, several of which are already here.

We would like this to be another step that will allow us all to assess what we have already accomplished and set the foundations for work still to be undertaken in light of recent events, but most of all to look forward to that ever closer day when nation-emigre relations will flow of their own accord to a path of complete normalization.

Nevertheless, we must still make it clear that as part of that path we have embarked upon, although we still have many questions to answer from the emigres, there is primarily a much stronger and more complex answer process that we must explain to the majority of the population. This process entails explaining what this path means and in which direction it is headed. These are the demands of having a genuine participatory and social democracy in which the main decisions must be discussed with those who are truly the majority.

Everyone should keep something in mind. While it is no less true that one of our priorities is to normalize relations with all Cubans living abroad, much more haste and effort are demanded to ensure the normalization of all aspects of our country, and in this respect, the emigres can cooperate in some of these tasks.

We will continue working in the international arena to overcome the economic, commercial, and financial blockade to which we have been subjected so that our people may be provided with the peace required to build their own future, free from the menace of having to awake one morning under the onslaught of humanitarian aid, or with a government elected with the support of U.S. aircraft carriers as part of a new operation to restore democracy.

We will continue forward with our objective of transforming our economy into an efficient, productive, and self-sufficient one, in order to perfect our social democracy, make it ever more participatory, and directed toward representing the genuine interests of the majority of the Cuban population.

It should be understood that we are not talking about perfection, neither are we talking about paradise on earth, which does not exist. We are not in need of one, and neither do we want one. It would be quite boring to live in a perfect country where there would be no need to discuss anything, not even participatory democracy.

Marti, in his own way, said it one century ago to all those who aimed to impose imported recipes on us:

"The best leader in America is not he who knows how to govern in German or French, but he who knows what his country is made of, and how to guide it all to reach, by means of practice and institutions created in the nation itself, to that desirable state in which every man knows himself and perseveres, and in which everyone will be

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able to enjoy the abundance that nature has put out for all of us."

We will also walk alongside the apostle through the path of liberty, sovereignty, and prosperity, as well as the development of that nation which he dreamed about, and which today is a reality. We will continue jointly, committed to forging a society that continues to be a beautiful dream that we have not relinquished; a utopia we can accomplish.

It is for this reason that to that recurring question of where we Cubans are headed, I prefer to answer by simply saying: "we move forward."

Foreign Ministry Denies Vesco To Be Extradited

PA2206190695 Havana PRENSA LATINA in Spanish 1656 GMT 22 Jun 95

[FBIS Translated Text] Havana, 22 Jun (PL) — Today, Cuba flatly denied U.S. financier Robert Vesco will be extradited to the United States. Vesco has been investigated in Cuba as a suspected provocateur and special agent of foreign services.

"Robert Vesco will not be extradited, and the Cuban Government has never proposed his extradition," said alternate Foreign Ministry spokesman Rafael Dausa, who warned that his country's positions concerning the United States are based on ethical and moral principles, not on political opportunism.

Dausa noted there has been a great deal of speculation about the possibility of Vesco's extradition in an attempt to portray the financier as a pawn in the game of relations between Havana and Washington.

Mr. Vesco has been subjected to a careful investigation; he will be prosecuted; and, if he is found guilty, he will face sentencing as established by our laws. He will be prosecuted with all of the proper guarantees, Dausa stressed while speaking to domestic and foreign journalists.

Robert Vesco, who has been granted residency in Cuba since 1982 for humanitarian reasons, was arrested in Havana as an alleged provocateur and foreign agent. The arrest was announced on 10 June [words indistinct].

Gutierrez Menoyo on Meeting With Fidel Castro

PA2206124695 Havana Radio Havana Cuba in Spanish 0100 GMT 22 Jun 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Eloy Gutierrez Menoyo, president of the Cuban Change organization, took part in the recent participative democracy seminar held in Cienfuegos here in Cuba. Our colleague, Barbarba Bethancourt, talked to Gutierrez Menoyo about the seminar and other issues that concern our country. Here is her report:

[Begin recording] [Bethancourt] Gutierrez Menoyo, we have already talked, but the fact that you met with Cuban President Fidel Castro prompts me to talk to you again. If, of course, I am not being indiscreet, what can you tell us about this meeting?

[Gutierrez] In general, the meeting was very positive and clearly shows there is a spirit of change and a true willingness to study problems that, in the end, concern the Cuban nation. I can tell you the meeting was very cordial, frank, and agreeable. Without a doubt, the meeting and the issues discussed clearly indicate that a door has been opened, which will allow us to meet again in the future and discuss issues that we still cannot broach today.

[Bethancourt] Can I infer from your statements that you would describe your interlocutor with the same terms and adjectives used to describe the meeting?

[Gutierrez] Absolutely. This is exactly as I perceive and see him right now, and this is very important because we have seen that there are many points on which we agree.

[Bethancourt] Were you comfortable talking to President Fidel Castro?

[Gutierrez] I really believe all of those present, including Robaina and Fidel Castro's secretary, felt comfortable. There were no hidden cards or resentment at the meeting, and we did not waste time talking about the past. We did not talk about the past or about any issue that would prompt an uneasy atmosphere.

[Bethancourt] Earlier, you told me that, without a doubt, the meeting with Fidel opened doors and served as a beginning. A beginning of what?

[Gutierrez] A beginning of the possibility that we can understand one another, even if we have disparate positions, points on which we disagree, and there is a system of which we do not approve. The truth is that we share concern for a nation that belongs equally to all of us. We are all concerned for the country's very precarious situation, and if any catastrophe occurs in Cuba — economic insolvency or a confrontation — we, all of us, one side and the other, our children, every one of us, will lose the nation.

[Bethancourt] Was this the main reason for your visit to Cuba after 10 years of absence?

[Gutierrez] Well, I had many priorities, but I did not come with a prearranged agenda. My intention was to

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jointly study matters that pertain to the Cuban nation and, of course, to discuss current issues and see how we might contribute in the future. We want to contribute and help this country, because it belongs to us as much as it does to you.

[Bethancourt] You mentioned the word agenda, and I want to ask you if there was an agenda for the meeting with the Cuban president? Were there limits to the issues you could discuss?

[Gutierrez] No, there were no limits and no agenda. We were free to broach any issue we wanted. Thinking back on this, I can truly say we discussed matters that many people do not even want to touch, and also we realized there was tremendous harmony, understanding, and tolerance throughout the entire meeting, which lasted a little more than three hours.

[Bethancourt] How do you think people will view this meeting, for example, in Miami?

[Gutierrez] I would say most Cuban exiles in Miami — when I say most, I mean those who favor a peaceful solution — will view the meeting with satisfaction. Furthermore, I can assure you they already have this position. The minority, elitist, intolerant, and arrogant group that lives there too, however, will and has received this meeting as yet another blow. They feel frustrated, and they are screaming, kicking, and slandering us because of this visit to Cuba. We, of course, are above all of this.

We are working on something we believe to be much more important. We regret they continue to maintain such an absurd policy, that they believe the Cold War is continuing, and that they do not have enough foresight to change to a more realistic position. In general, I can tell you that the Cubans in exile will accept this meeting as a positive advancement.

[Bethancourt] Is there a possibility that the Cuban Change organization will now open a new phase and that your goals will now be aimed at building a bridge between the nation and the emigrants?

[Gutierrez] Yes, I believe this could be the case. As the channels of communication start to open, relations between the Cubans here and Cubans abroad will start to expand. I believe the time will come when we simply will not talk about emigration or about exiles but simply about Cubans — Cubans who are walking in the same direction, who want the best for their country, who want to be able to live in this country, and who want to raise their children in this country. Also, I will be among the first to do so. From now on, I will not talk about Cubans here and Cubans there. No. I will simply refer to us as Cubans. This should suffice to identify ourselves. [end recording]

Lage Presides Over Health Minister Inauguration

FL2306013995 Havana Radio Rebelde Network in Spanish 1700 GMT 22 Jun 95

[From the "National Radio News"]

[FBIS Translated Text] Carlos Lage, vice president of the Council of State, presided over the ceremony transferring Public Health Ministry leadership from Julio Tejas to Carlos Dotres.

During the inauguration ceremony, Lage stated that Cuba currently has improved opportunities for developing the health sector, not because of more material resources than during the years of the special period, but because Cuba has learned to work with a limited supply of material resources, taking full advantage of them.

Lage emphasized that the Cuban health system can be relied upon despite the currently difficult situation because people's health has been preserved. He does, however, acknowledge such negative aspects as the medicine shortage and hospital deficiencies.

Crude Oil Production Plan Surpassed by 6 Percent

PA2306024295 Havana PRENSA LATINA in Spanish 1710 GMT 22 Jun 95

[FBIS Translated Text] Havana, 22 Jun (PL) — The national crude oil production plan has been surpassed by 6 percent to date, with the extraction of approximately 685,000 tons from wells.

Authorized sources of the Basic Industry Ministry have reported that Central Enterprise, headquartered in Varadero, is the organization that most helped surpass the 500,000-tons mark, which should reach the million ton mark by the end of the year.

The increase in production at the Pina field, in Ciego de Avila Province, also helped achieve the goal. Approximately 83,000 tons of light crude oil have been extracted there to date, and it should accumulate more than 170,000 tons by the end of 1995.

This is a high quality oil and is processed at the Cabaiguan Refinery, located in the central province of Las Villas, to manufacture highly demanded lubricants and grease.

The increases were achieved through the implementation of new technical-production measures, including the relocation of surplus personnel and the existence

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of an incentive system directly related to each worker's contributions.

Equally decisive was the participation of foreign companies that have implemented advanced technology to extract the crude oil.

Plant Repairs Effect Gas Supply to Havana

FL2306021495 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 23 Jun 95

[Report by Jose Luis Rimbaud; from the "NTV" newscast]

[FBIS Translated Text] Repairs to one of the two units at Evelio Rodriguez gas plant in Marianao has put pressure on the supply of gas to Havana. The repairs have caused a shortage of 100,000 metric tons per day, which requires the central dispatch to shut off supply between 1700 and 2100 GMT. Nevertheless, the rains, problems stemming from damaged pipes, and poor quality gas produced at the old Melones plant is causing unexpected effects in certain areas, of which the enterprise is sometimes unaware. Shortages persist in branch lines servicing the lower areas of Centro Havana and El Vedado. Although repairs will be complete on the Marianao unit by early next week, the clear solution continues to be investment in the Melones plant, to produce gas from naptha instead of coal, as is currently being done. The investment is progressing, but not at the desired pace.

Commentary: Raul Castro Remarks in GRANMA

FL2206133195 Havana Radio Rebelde Network in Spanish 1700 GMT 21 Jun 95

[Commentary by Orlando Contreras; from the "Exclusive" program]

[FBIS Translated Text] Even though a detailed analysis has not been made of the causes that brought about the collapse of Socialism in European countries, including the former Soviet Union, partial studies coincide in indicating that there was a gradual, yet progressive, separation of the political and administrative cadres from the masses.

As you know, the basic and ultimate goal of socialism is to improve the material and spiritual well-being of the working class which includes manual and intellectual workers in a human relation between their social contributions and their material remuneration. In other words, there are differences, but not the antagonistic differences generated by capitalism where the purpose is the individual appropriation of the social work.

Of course, in a blockaded and underdeveloped country such as ours Socialism's goal becomes much more difficult to meet and requires a closer contact between cadres at all levels with the masses. These times require everyone's contribution, creativity, and frank expression of opinions.

During moments of profound crisis, when the very existence of the nation is threatened, developed capitalist countries have also turned to the mobilization of all their nations' reserves. It was done by a such a conservative and controversial politician as Sir Winston Churchill, the very person who blocked the second European front treaty, almost letting the Soviet Union bleed to death. But when the Nazi bombs darkened British skies, Churchill called for his people's resistance and offered blood, sweat, and tears in exchange.

I make these reflections based on the importance that I give to Raul's statements last week in Guantanamo, which were published today in GRANMA newspaper. To conclude I will read the following paragraph:

Current conditions require great political and moral caliber from a leader: he must possess the conviction that Cuba can resist and overcome only with the masses; he must not avoid contact with the masses. instead he must seek ways to make that contact closer and true; he must teach and learn from the masses each day; and he must listen to the frank expression of opinions, clearing up, instructing, and helping to find and materialize possible solutions.

'Economy Shows Clear Signs of Recovery'

FL2306014695 Havana Radio Rebelde Network in Spanish 2300 GMT 22 Jun 95

[Commentary by reporter Fernando Davalos from the "National Radio News"]

[FBIS Translated Text] Although there is still no official confirmation, the Cuban economy shows clear signs of recovery despite the many serious problems that remain.

Cuba ended 1994 with a modest 0.4-percent growth in its Gross National Product, which showed the whole world — and us — that the Cuban economy's free fall had reached bottom and stopped. This economic recovery became clear when unofficial estimates for the first months of 1995 indicated growth of approximately two percent despite the many daily difficulties we confront, thus validating the trust and optimism with which we ended 1994. Perhaps Cuba can continue at the current rate and maintain a stable two-percent growth, which is noteworthy because it has been achieved in the midst of very severe material restrictions.

However, we again face the critical question of sugar production, which is essential in assessing Cuba's economic performance. Current sugarcane harvest results

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did not meet the goals, and were even below the last harvest's results, which amounted to 4 million metric tons.

Without the recovery of the sugarcane sector, the economy will continue to be handicapped despite improvements in the other sectors. It has been made very clear: The special period will not end unless we achieve our sugar goals. Sugarcane is our principal industry and Cuba's primary source of foreign currency. Thus the need for its recovery, even when there are such promising signs as a two-percent growth in the national product.

Havana, Spiritus Sancti, Ciego de Avila Rain Damage

FL2306013895

[FBIS Editorial Report] Havana Radio Reloj Network in Spanish at 1940 GMT on 22 June carries a three-minute report on damages resulting from recent heavy rains.

The report begins by stating that Civil Defense authorities indicate that "rains in the last 72 hours in Ciego de Avila have destroyed 29 homes, partially damaged 623, and caused 1,305 people to be evacuated," and that the majority of the evacuees went to shelters. The report states that Civil Defense also notes that "7 km of railroad tracks were destroyed in Ciro Redondo Municipality, and 6 km were destroyed in Venezuela Municipality." It goes on to announce that 18 cattle drowned in Ciro Redondo, and that animals were being transferred to safer areas throughout the province.

The report then views the damages in Sancti Spiritus, where authorities have called for immediate repairs to rain-damaged installations, adding that the heaviest rainfall had been recorded today in the towns of Jibaro and Guasimal, causing "damage to 696 homes, 24 of which completely collapsed, and the evacuation of over 1,000 people because of the flood danger."

The report covers damages in Havana, noting that 31 buildings have partially collapsed and that one completely collapsed in Havana as a result of rainfall between 20 June and the present. The report indicates that "most of the partially collapsed buildings were located in downtown Havana, nine in Havana Vieja, two in Plaza, and three each in 10 de Octubre and Cerro," as well as some in Boyeros. Havana Civil Defense stated that 20 people had been evacuated and were being lodged in shelters, and urged residents to expedite the cleanup efforts.

Haiti

CEP Proclaims Irreversibility of Elections

PA2306030195 Port-au-Prince Radio Metropole in French 1045 GMT 22 Jun 95

[From "The Morning Newscast"]

[FBIS Translated Excerpt] We are three days away from the 25 June elections, and 24 hours from the end of the electoral campaign, and the Haitian Provisional Electoral Council [CEP] is confident. There is no going back on the elections, stated the CEP in a press release issued on 21 June.

The CEP has proclaimed that the holding of free and democratic elections is irreversible. The electoral institution requests the vigilant support of all citizens and friends of the Haitian people, quote, wanting to see that the right demands of the Haitian people be taken into consideration for change, justice, and the state of law, unquote.

Furthermore, the CEP advised voters, political parties, candidates, and observers that the electoral lists will be displayed starting today on the main door of the polling stations, the ballot papers have already been sent to the departmental electoral offices in charge of distributing them to the communal electoral offices, and those will distribute them to the registration and voting offices [BIV's].

The national and international observers and press correspondents accredited by the CEP to follow the development of the vote have started to spread out throughout the national territory, writes the CEP in this latest press release.

Furthermore, during an interview with Radio Metropole, a CEP spokesman reported that measures have been taken for the good development of the 25 June elections. Windel Theodore filed a report:

[Begin Theodore recording in Creole] On Friday 23 June at the latest, all electoral material should have reached all offices throughout the country. CEP spokesman Gerin Alexandre told us that the distribution of the material was possible thanks to the support of the technical assistance of the multinational force present in the country. According to the spokesman, everything is ready for 25 June.

However, Gerin Alexandre does not dismiss the possibility of the CEP facing difficulties on the day of the ballot. The CEP has plans to solve problems that could come up during the development of the elections. [passage omitted]

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Regarding the national observers and the criteria for choosing them, the spokesman named several organizations such as Justice and Peace, FOSS [expansion unknown], CATH [Autonomous Organization of Haitian Workers], CNTN [expansion unknown], Heads Together, Committee (?PROTOS) Haiti etc., which will send observers to the elections, in addition to the international organizations.

Finally, CEP spokesman Gerin Alexandre told us that BIV members are complaining about the 150 gourdes that the CEP is giving them, which they consider too little. However, he said, the CEP is facing great economic difficulties, which is why instead of paying a salary to the BIV members, it has managed to give them a small grant for food and transportation. This money was granted by the EC and the CEP's budget. [end recording]

CEP Condemns Attack on Parliamentary Candidate

PA2306012795 Port-au-Prince Radio Metropole in French 1600 GMT 22 June 95

[From "The Midday Newscast"]

[FBIS Translated Text] The Provisional Electoral Council [CEP] issued a press release condemning the murder of citizen Claude Bouchard, which took place on 20 June, five days before the elections. Because Bouchard was the driver for Milo Gousse, parliamentary candidate for the Assembly of Progressive National Democrats, the CEP has good reason to believe that Bouchard's death is a political crime and asks the competent authorities to put public actions in motion to get justice. The press release continues, quote: it is more than time, because the electoral campaigns are an opportunity for people to confront others with ideas and propaganda instead of violence.

MRN's Theodore Calls For Dissolution of CEP

Port-au-Prince Signal FM Radio in French 1030 GMT 22 Jun 95

[FBIS Translated Text] Rene Theodore goes into action: The leader of the MRN [National Renovation Movement] is calling for the immediate dissolution of the Provisional Electoral Council [CEP]. During a news conference held yesterday morning [21 June] at his party headquarters in Petion-Ville, Theodore demanded that the current CEP be dissolved. Theodore gave to understand that the CEP is not up to its task. No serious election is possible under the current CEP, said Mr. Theodore, who stressed that next Sunday's elections will be comparable in every way to the elections of 17 January 1988 and to those of 10 January 1993. Just like Mr. Jean-Gilbert [president of a former CEP under Henri Namphy], Anselme Remy too should feel himself to be in seventh heaven [allusion to a statement Jean-Gilbert], said Theodore.

[Begin Theodore recording, in Creole] If [words indistinct] may not grab the edge of the table — and he [li] was talking to Jean Dominique in an interview over Radio Haiti-Inter — he [li] is not impartial. Not able to grap the edge of the table, [he said].

And (?he would like you to believe) that, despite that, he is going to distance himself so as to hold, based on a position of neutrality, free and honest elections. He spoke to him [li] of [words indistinct]. Thus, he was telling you a lot.

And he didn't even need to say all that, in order for me to seek to find out what was in a position that that member of the electoral council [words indistinct].

This election is a rigged election [eleksyon zo plombe, literally "a loaded-dice election"]. No matter how you throw the dice, they will always fall the same way. They will fall on the side of the table, at the feet of the table, or under the table. [A table is the symbol of the Lavalas Political Organization]

In the case of the elections that are to be held on Sunday 25 June, we consider — aside from the business of the [words indistinct] itself, which is already quite serious and which shows what the CEP is like — that the CEP has shown everyone that it is not capable of holding serious elections.

Anselme Remy, the president of the CEP, stated publicly that one million [electoral] cards had been lost. One million lost cards is a suspicious thing. To (?hear such a thing, and then participate) so as to have an election take place under that CEP means we are really truly going to get rigged elections.

As for the list of candidates allowed to participate in the election, it is mess after mess; list after list; additions of candidates, removals of candidates out. Even now, four days from elections, on the eve of the elections, no one in the general population really knows which list is the definitive one, and all the MRN candidats have suffered prejudices. All of them made efforts. They spent money. All had their activities, and all had carried out all their activities within the framework of the campaign, legally and in good faith. [end recording]

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Asks Population To Boycott Elections

PA2206194595 Port-au-Prince Radio Metropole in French 1600 GMT 20 Jun 95

[From "The Midday Newscast"]

[FBIS Translated Text] Rene Theodore, leader of the MRN, National Reconstruction Movement, who was eliminated from the electoral race, is calling on the population to boycott the 25 June elections. During a news conference held this Wednesday, the MRN leader stated that there was no guarantee for honest elections in Haiti, because the CEP [Provisional Electoral Council] is moving along in a confused state. Rene Theodore cited as irregularities the missing 1 million electoral cards, the printing of ballot papers without emblems for several candidates, as well as the disorder evident in the publication of several lists of approved candidates while no definitive list has been published. As for the eviction of his party from the race, Rene Theodore announced that the MRN has hired a team of lawyers to sue the Haitian State and the CEP members for plotting against the MRN. Taking into consideration the way the CEP is being run, Rene Theodore is taking the opportunity to call on President Aristide to dissolve the electoral institution.

[Begin Theodore recording, in Creole] This electoral council is a disgrace. It is a greater disgrace than the electoral council presided over by Jean Gilbert. The elections will be fraudulent, just like those of 17 January 1988 and 18 January 1993. Just like Attorney Gilbert, Anselme Remy must rejoice that he played and he won. The MRN is asking for the immediate dissolution of this CEP. If President Aristide wants serious elections, his first duty is to dissolve this CEP. If this CEP is not dissolved, we say watch out. When we say watch out, the population always takes note. Bad elections in a country always bring catastrophe to the nation. On the contrary, the way this electoral council works in confusion, no guarantee is offered to any organization. Even the slogan that we said we would launch, we are not comfortable in launching. The civilized slogan that we wanted to send to the population is not even possible in a crooked election. The CEP has already dismissed itself. As we said before, this election is a rigged election. No matter how you throw the dice, they will always fall the same way. The will fall under the table, around the table. As we said for the 18 January elections, we are telling the population to stay home. Do not show up. Let them do their own business by themselves. This election is not for us.

Theodore Said Seeking To Test Justice System

Port-au-Prince Radio Metropole in French 1600 GMT 22 Jun 95

[FBIS Translated Text] The political parties shunted aside from the electoral race are reacting. The (?MRN) [National Renovation Movement]...[brief loss of reception] Rene Theodore has invited the population to boycott the 25 June elections, and is asking President Aristide to dissolve the electoral council, the CEP [Provisional Electoral Council]. Theodore, head of the MRN — shunted aside from the electoral race — also announced steps with a view to bringing suit against the Haitian Government and the CEP for plotting against the MRN [pour complot contre le MRN]. Here is an account by Ansy Rose Resignac.

[Resignac] The MRN's offensive has thus been launched on several different fronts. Rene Theodore's party is, in fact, trying not only to set President Jean-Bertrand Aristide and the population against the electoral process but also to hide behind the law to attack the CEP.

The office of attorney Calixte (Delatour) has been hired by the MRN to bring suit against the Haitian Government and the members of the CEP — I quote: which is the victim of a plot. Two hundred fifty-one suits are envisioned, because 250 MNR candidates have been shunted aside from the...[brief loss of reception] because the CEP could not go back on its decision to disqualify that party without postponing the first round of the elections, which are scheduled for Sunday.

Neither is it certain that the 250 candidates who have paid to — among other things — register will be indemnized. Nevertheless, Rene Theodore is setting another objective for himself: to put the Haitian justice system to the test.

[Begin Theodore recording, in Creole] I hear them doing a lot of talking about justice for Haiti, doing a lot of talking about human rights...[brief loss of reception] see that that justice about which they are talking exists under the Aristide government. [end recording]

Theodore is not leaving things up to justice alone. He is of the opinion that the executive can intervene in cases of suspicious irregularities, such as the disappearance of one million electoral cards; the printing sans emblems of the ballots of several candidates; and the disorder constituted by the publication of several lists of accepted candidates, without anyone's knowing which is the definitive list. All these things — in addition to the disqualification of the MRN — lead Rene Theodore to request, desperately, the dissolution of a CEP that is not up to the task of organizing credible elections.

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[Begin Theodore recording, in Creole] If President Aristide wants a serious election, that's where his first duty lies. It is to dissolve that electoral council. That electoral council is shameful. It is even more disgraceful than Jean-Gilbert's [head of a former CEP] council.

Also, the elections are going to be rigged, just like the 17 January 1988 elections and the elections of 18 January 1993. [end recording]

If the CEP is not dissolved, Theodore will not be surprised by the results of the election.

[Begin Theodore recording, in Creole] As we have already said: This election is a loaded-dice election. Regardless of how you throw the dice, they will always land in just one way: They will fall either near the table, at the feet of the table, or under the table. [end recording]

For that reason, the MRN and its leader, Rene Theodore, invite the population to not concern itself with what is none of its business on Sunday 25 June — thus: to not participate in the elections.

MIDH on Election Abstention Plans, CEP

Port-au-Prince Signal FM Radio in French
1030 GMT 22 Jun 95

[FBIS Translated Text] Marc Louis Bazin's MIDH [Movement for the Establishment of Democracy in Haiti] reiterates its refusal to participate in next Sunday's elections. Bazin did not hide his hostility toward the Provisional Electoral Council [CEP]. Bazin criticizes vehemently the behavior of the CEP, which has used veiled methods to take certain candidates out of the race.

Regarding the several thousand electoral cards that have vanished into thin air without anyone's knowing how, Bazin, who seems to be seeking to see the hidden face of the iceberg wonders about what has happened or will happen to [le devenir] those cards, saying that all this leaves the great majority of people perplexed, and that people fear certain irregularities — worse than before — in the result of the voting.

The social consensus we need to begin to rebuild our country does not yet exist. Far from bringing us nearer to consensus, the elections being prepared is taking us further away from it — says this consensus minister [an allusion to Bazin's period as prime minister] — who reaffirms that it is by abstaining that he best serves the national interest.

MNP-28 Will Not Participate in Elections

Port-au—Prince Signal FM Radio in French
1030 GMT 22 Jun 95

[FBIS Translated Text] Engineer Dejean Belizaire's MNP-28 [National Political Movement of 28 November], is out of the electoral race. In an interview granted Signal FM, Belizaire explains in five points the reasons for his abstention in the next elections. Belizaire confirms that he notified the members of the CEP [Provisional Electoral Council] last 20 April that his party would be absent from the future elections.

Among the reasons proferred to explain his position: Belizaire said he noted the presence of personalities of a common political ideology within the CEP. Also — he said — the CEP refused to submit itself to the proposals of the political parties in setting up the BECs [Communal Electoral Bureaus] and the BIVs [Registration and Voting Offices].

[Begin Belizaire recording, in progress] ...the [word indistinct] CEP, the national patriotic front of 28 November, MNP-28, specified the following five major reasons for abstaining from participating in the elections of 25 June 1995: First, the fact that the majority of the members of the CEP belong to the same political family.

Second: The systematic and obstinate refusal of this council to apply the resolution adopted on 9 February 1995 by 15 political parties advocating the participation on a firm and impartial basis of the legally recognized parties in forming the BEDs [Departmental Electoral Bureaus], the BECs, and the BIVs.

Third: the CEP's (?resorting) to the personnel of the BEDs, BECs, and BIVs who organized the elections of 16 December 1990 and 20 January 1991, the great majority of whose members are well-known for belonging to the Lavalas current [words indistinct] the 1995 elections. [end recording]

Ernst Verdieu Announces Will Run for President

Port-au-Prince Signal FM Radio in French
1030 GMT 21 Jun 95

[FBIS Translated Text] We already know of one candidate for the next presidential elections in Haiti: Ernst Verdieu. Mr. Verdieu, director of Caritas-Haiti and a person who is close to Haiti's Catholic hierarchy, has declared that he will run in the next presidential elections, in December 1995. Mr. Verdieu, a former minister of social affairs under the Aristide/Preval government in 1991, before being replaced four months later, made this announcement to a Swiss newpaper, (INFO-SUD), during a recent visit to Switzerland within the framework

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of the annual assembly of (Helveta), which was held on 17 June 1995 in Zurich.

Our program of government will fall greatly within the framework of the tradition of President Aristide, stated Mr. Verdieu who in 1991 had presented the original Aristide program. Nevertheless, Verdieu says he is no man's candidate.

As regards the relations between Haiti and the United States, Mr. Verdieu stated that, even though the Americans are leading partners, Haiti should not wait for orders from Washington. But — he continued — we cannot pretend we are equal partners.

Advocating decreasing the power of the central government to the benefit of the provinces and popular organizations, Mr. Verdieu (?thinks) the president cannot change the country alone — which according to Verdieu is everybody's job.

Independent Asks Haitian People To 'Mobilize'

Port-au-Prince Signal FM Radio in French
1030 GMT 22 Jun 95

[FBIS Translated Text] Gerard Pierre, independent candidate for deputy for the fourth district of Petion-Ville and Kenscoff, thinks that the problem of emblems for the independent candidates shows clearly the Provisional Electoral Council's [CEP] obvious desire to put several citizens out of the race. Jean Gerard Pierre [name as heard] asks the Haitian people to mobilize, so that the elections can be honest and credible.

[Begin Pierre recording, in Creole] This action that the CEP has taken, at the last minute, right before the elections, far from being an isolated accident, is — in our opinion — an intimate part of a series of operations with a view to a very particular strategy. Thus can we see that, first of all via the electoral law, the CEP (?defines) two categories of citizens: Citizens who are independent candidates had to pay a fee [kosyon] 25 times higher than candidates who are in political parties.

Secondly, we notice that all along the election process, which is studded with irregularities and with wheelings and dealings, the independent candidates have been badly treated [yo soutrete l' an ba oun po]. His opinion is never taken into account at the meetings they hold. He is constantly the victim of rumors. All he hears is rumors. He cannot obtain information. The CEP is a wall, a wall no one can get over. The candidate is the victim of all kinds of misappropriation of funds and commissions. [end recording]

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Government Against U.S. Decision on Extraditing Ruiz

PA2306013895 Mexico City Radio Red Network in Spanish 0000 GMT 23 Jun 95

[Report by Edgar Munoz; from "The Night Monitor" newscast]

[FBIS Translated Text] We are going to listen to Assistant Prosecutor Rafael Estrada, who will explain the Mexican Government's position regarding Judge Ronald Hedges' refusal to extradite Mario Ruiz Massieu, who is charged with violations against the administration of justice.

[Begin Estrada recording, broadcast in progress] ... because the statements, which were presented and which were contained in the process against Mario Ruiz Massieu are not convincing because there is no evidence that they were not obtained through torture or pressure. Those who presented the evidence are already considered convicted criminals.

In sum, Judge Hedges believes two of the three requirements of the extradition procedure were properly met: double criminality and the identification of the person whose extradition is requested; however, the third requirement — Probable Cause — was not met. Therefore, based on his discretionary opinion, the extradition being requested should be denied.

As a result, Mario Ruiz Massieu asked Judge Hedges to release him on bail. The request was turned down because of the following:

1. The legal situation of the extraditable person has not changed because the Mexican Government has also filed embezzlement charges against him and

2. the risk of escape exists.

Consequently, Mario Ruiz Massieu will remain under arrest. According to U.S. law, the legal opinion of Judge Hedges may not be appealed [sentence as heard].

The Attorney General's Office expresses its disagreement with the opinion, as well as with certain value judgments expressed by Judge Hedges regarding our country. [end recording]

Canacintra Assesses Zedillo's Economic Measures

PA2106170995 Mexico City EL FINANCIERO in Spanish 19 Jun 95 p 38

[Report by Isabel Becerril]

[FBIS Translated Text] The National Association of Manufacturers (Canacintra) says that the emergency plan has not disappeared and it continues to set the pace for the government's economic policy. The measures that President Ernesto Zedillo Ponce de Leon announced are enough to reduce the failure rate among businesses and to cut unemployment.

The measures the president announced last Thursday are the first bridge that Mexico must cross, slowly but steadily, to move away from the path of adjustments and onto the road of economic recovery. The sector, nevertheless, will not back away from its requests.

The association explained that business will increase its participation at forums designed specifically to express opinions and establish strategies the sector will use. We must not think that "the measures that the executive branch announced are the last of the ideas and that they will solve everything."

The issues addressed by Zedillo Ponce de Leon tell of the progress made in stabilizing the system. However, Canacintra said that this barely gives Mexican manufacturing, jobs, taxpayers, and families time to catch their breath.

Canacintra, headed by Victor Manuel Terrones Lopez, cannot but recognize that the federal government has helped the manufacturing industry surmount the difficult obstacles of currency devaluation and the crisis.

Regarding industry incentives and rescue plans for companies with serious solvency problems, Canacintra noted that there is a serious public commitment to pay off the government's debts. In addition, advance payment amounts for government suppliers will increase.

According to the announcements the president made on Thursday, the government will increase the pace of debt refinancing plans using investment units and granting priority to micro and small business.

There will also be a support program for working capital, which will be directed at the majority of Mexican manufacturers.

In the construction industry, Canacintra states, housing projects and public works will be completed.

These measures include a program specifically designed to maintain rural roads and thus benefit job opportunities.

Canacintra argues that all of these measures are in response to a list of demands and proposals made by the private sector to reactivate the economy as soon as possible.

This demonstrates that agreement, not confrontation, between production sectors and the government is one of the main tools for eliciting the willingness and effort of everyone involved to fight the crisis together.

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Open Unemployment Rate Sets 'Historic Record'

PA2306035195 Mexico City LA JORNADA in Spanish 20 Jun 95 pp 56, 42

[Report by Roberto Gonzalez Amador]

[FBIS Translated Text] According to the National Institute of Statistics, Geography, and Information Science [INEGI], during April 210,000 Mexicans lost all chances of finding a job, even in the informal sector, at the rate of 7,600 every day. The institute yesterday reported that in April the open unemployment rate [TDA] reached 6.3 percent of the economically active population [PEA] and that this unemployment rate has set a historic record in the country.

INEGI reported that in April 2,205,000 Mexicans — this is the equivalent of 6.3 percent of PEA, which in turn is 35,000,000 people — lost their jobs. This number represented an increase of 210,000 people, or 10.52 percent, over the TDA in March, which was 5.7 percent and affected 1,995,000 Mexicans of working age and condition. INEGI also reported that the TDA rate in April was the highest in the past 100 months. This index has existed only since 1987.

According to INEGI's measuring parameters, which follow International Labor Organization regulations, TDA is defined as a ratio of PEA represented by persons 12 years of age or older who, in the referent period of time, did not work even a single hour in the week, although they sought a salaried job or tried to do some kind of self-employed work.

The report adds that the open unemployment rate increased in April 1994 by 65.78 percent, when it went from 3.8 to 6.3 percent, which means that in April 1995 there were in Mexico two-thirds more unemployed citizens than those registered in the same month of last year.

Meanwhile, between December 1994 and April 1995, the decline in the labor market caused by the severe economic recession in the country led to a 70.27-percent increase in the open unemployment rate, which by the end of last year was 3.7 percent of the PEA.

The unemployment rate during the first four months of the year exceeded all expectations regarding the reduction in the number of jobs.

According to the information released by the INEGI yesterday, the number of persons by which the open unemployment increased was 910,000 between January and April of this year. Original government estimates placed that figure at 750,000 formal jobs during the first three quarters of the year.

The closing of more than 18,000 industrial, commercial, and service establishments, job dismissals or payroll reductions conducted by firms to face the drop in domestic demand, and the drastic decline in public and private investments have resulted in one of the most dramatic episodes of unemployment in Mexican contemporary history.

A total of 7,583 more Mexicans join the ranks of the unemployed each day, between 1 and 30 April 1995.

During this period there has not been a single sector, division, or branch of economic activity in the country that has not been adversely affected by unemployment. In the manufacturing sector, at least 114,320 persons lost their jobs, according to the INEGI; 9,000 employees lost their jobs in the banking sector; and in the commerce sector, approximately 300,000 employees lost their jobs.

The report noted that all unemployment indicators showed an increase in April.

For example, the so-called "overall pressure rate" [tasa de presion general], which comprises the number of openly unemployed persons and those who have a job but are looking for an additional one, went from 6.1 percent of the PEA in April 1994 to 9.4 percent in the same month this year.

The "partial employment rate, including those who work under 35 hours per week" went from 6.1 percent to 8.4 percent as a proportion of the PEA.

Moreover, the rate of employed persons who work under 35 hours per week, who work more than 35 hours per week but earn less than the monthly minimum wage, or who work more than 48 hours per week but earn less than two minimum wages, was 15.2 percent of the PEA in April of this year, a 3-percent increase over the one reported in April 1994.

According to the INEGI, 87.7 percent of the unemployed people in the country had labor experience before joining the ranks of the unemployed, which means that nine of every 10 openly unemployed Mexicans had a formal job at some point in their lives. The remaining 12.3 percent are people who have never had a job.

The INEGI report did not provide specific percentages, but noted that the country's largest metropolitan areas, Mexico City, Guadalajara, and Monterrey, reported "huge increases in their unemployment rates."

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Trade Balance Registers Surplus in 1st Five Months

PA2206204895 Mexico City LA JORNADA in Spanish 20 Jun 95 p 40

[Report by Juan Antonio Zuniga]

[FBIS Translated Text] Contrary to the generalized decline of the domestic economic activity, the country's trade balance registered a surplus of $1.929 billion during the first five months of 1995, after experiencing a deficit of approximately $5.3 billion during the same period in 1994, the Secretariat of Finance and Public Credit (SHCP) disclosed yesterday.

The government office explained that 45 percent of the foreign exchange that entered the country from the total export of goods corresponded to the assembly plants installed on the national territory.

Exports by assembly plants amounted to $14.038 billion, thus exceeding by approximately three times oil, agricultural, and mining exports for the same period and surpassing the exports of the remaining manufactured articles by $896 million.

Disclosing the preliminary results of Mexico's commercial exchange with other countries during the first five months of this year, the SHCP indicated that total exports rose to $31.142 billion, which represents a 32.4-percent increase compared with the same period in 1994.

Exports by assembly plants jumped to $14.038 billion, while those of the remaining manufactured articles earned $13.260 billion in revenues. Moreover, oil exports contributed $3.454 billion; agricultural exports, $335 million; and mining exports, $55 million.

Basically, the current surplus of the Mexican trade balance resulted from the peso's devaluation, which lowered the price of exports and jacked up the price of imports, and it will reduce tension in the financial area during the second half of this year, when the country will pay off approximately $10.5 billion in Treasury bonds (Tesobonos).

However, in the economic area, the surplus in the Mexican trade balance will reflect the efforts undertaken by the shrinking manufacturing sector, particularly regarding the manufacture of articles for the local market at a time when the domestic economic structure depends by more than 70 percent on the import of raw materials and capital goods for its operation.

Concerning this aspect, the preliminary reports disclosed by the SHCP point out that in the first five months of 1995, imports of raw materials related to products destined for export increased by 31.4 percent compared with figures registered between January and May 1994. Meanwhile, imports of raw materials related to the manufacture of articles destined for the domestic market experienced a 24.2-percent drop.

In general, the historical trend followed by Mexico's trade balance shows that in periods of growth, it tends to register deficits because of the purchase of raw materials and equipment, whereas in periods of contraction, when the effects of the devaluation appear, it tends to register surpluses.

However, in its more specific aspects, Mexico's foreign trade still has its contradictions, including those related to the management of oil resources, particularly increases in the import of the following products: natural gas by more than 250 percent; fuel oil, 50 percent; vynil chloride, 79 percent; xylene, 68 percent; butane and propane gas, with an increase greater than 60 percent; and polipropylene, with a 20-percent increase.

Oil exports were favored by an increase in the international price of crude, which, only in May, reached 16.82 [currency not specified] for the Mexican blend. This price represents a 20.4-percent increase over the price registered for the same month in 1994. Between January and May, $3.454 billion were earned from the export of crude, which represents a 24.8-percent increase compared with the amount obtained in the same period in 1994.

Concerning imports, the SHCP stressed that purchases of capital goods by the companies identified as exporting firms increased by 25.5 percent between January and May 1995, whereas those made by establishments that target their production for the local market shrank by 41.5 percent.

As for imports of raw materials, those used to manufacture exports increased by 31.4 percent, while those by companies not linked to the export industry dropped by 24.2 percent.

There was a 37.4-percent decline in the import of consumer goods during the first five months of this year compared with imports of this type for the same period in 1994.

Sutaur-100 Case Investigator Murdered

95CA0277A Mexico City LA JORNADA in Spanish 20 Jun 95

[Article by Ricardo Olayo; received via Internet]

[FBIS Translated Text] Jesus Humberto Priego Chavez, coordinator of four Office of the Public Prosecutor agents in the investigation being conducted of the Sutaur-100 [United Trade Union of Route-100 Workers] leaders, was murdered at the door of his house by a shot in the head. The murderers, who were in a gray Taurus,

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fired another 15 shots at the front of the building with 9, 25, and 45-mm weapons.

Priego Chavez, 32 years old, was returning home late Sunday evening after leaving his fiancee at her home. He was apparently being pursued by the occupants of the Taurus, so he ran into the garage, but was pulled out by force and shot at point-blank range.

The rest of the shots were fired when Enrique Priego, the victim's father, looked out the window to see what was happening, reported the Office of the Attorney General of the Federal District (PGJDF).

The agency where Priego Chavez worked as deputy director of the Office of the Public Prosecutor for Criminal Courts and Chambers reported that an investigation is being conducted of the cases he had been handling in his most recent work, as well as in his earlier assignment as an Office of the Public Prosecutor agent in the seventh district court. The possibility of a crime of passion is also being investigated.

In addition, a possible connection with a murder that took place one hour later in the colonia [urban community] Heroes de Churubusco is being investigated. In both cases witnesses saw a similar vehicle in which the murderers were driving.

The young victim in this case, Graciela Alpuche Alvarez, was talking with a friend outside her house when she was shot in the thorax by a bullet fired from a moving vehicle.

Last night it was not clear whether there might be a direct link between both murders, although the attorney general for the Federal District, Jose Antonio Gonzalez Fernandez, said in a radio interview that this possibility is being investigated.

The Jetta which Priego Chavez was driving has the marks of several bullet impacts in the door and the windshield, which suggests that he was being pursued by the murderers.

After ballistic testing, it was determined that a 9-mm weapon was used and traces of gunpowder were found on Priego's face. Several used 45 and 38-mm cartridges were also found.

His body remained lying in Calle Pleyades 16, colonia Prados Coyoacan, until the Office of the Public Prosecutor agent came to examine the scene at about midnight on Sunday.

In Charge of the Route-100 Case

Humberto Priego Chavez took charge of the case against the Sutaur-100 leaders last December. At that time the 16th criminal court had determined that it had insufficient grounds for issuing arrest warrants, and the case was sent to Judge Abraham Polo Uscanga in the eighth chamber.

Priego compiled evidence to change the judge's decision and arrest warrants were later issued, resulting in the imprisonment of six leaders, including Ricardo Barco, the legal counsel of Sutaur-100.

According to Arturo Olguin of the Office of the Public Prosecutor, then came the "key factor" last week that resulted in the imprisonment of another six leaders, when it was found that amparo [constitutional guarantee of civil rights protection] had not been sought for those who were still free.

The murdered investigator had handled the investigation for the prosecution, and according to PFJDF information, he was about to marry. He had a master's degree in criminal law and training in five legal specialities.

Upon learning of the murder, Rafael Alvarez Caborno, the defense attorney for the workers who accused the Route-100 leadership, met with Mariano Herran Salvati, deputy attorney general for Procedures Control, to express his "well founded fears" that "Sutaur-100 has an interest in attacking those who are involved with the imprisonment of the union's leaders."

He repeated his request for protection for the complainants and the Office of the Public Prosecutor agents and said that, based on comments by Priego Chavez himself, it had been learned that the group of MP [Office of the Public Prosecutor] agents assigned to the case had applied for permits to carry weapons.

This point was confirmed at night in the funeral home in the colonia Roma where the body of Priego Chavez was taken.

Alvarez Caborno said that they are "even less willing than before" to go to the proceedings in the 16th court until protection has been provided for the complainants, and he said that the investigation must lead toward the members of Sutaur-100. He indicated that just yesterday reports were filed about "threats" which 11 former workers have received from union members to get them to drop the complaint which they have filed against the leadership for withholding union funds.

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El Salvador

Poll Shows Drop in Support for President

PA2206192895 San Salvador EL DIARIO DE HOY in Spanish 20 Jun 95 pp 2, 3,

[FBIS Translated Text] Salvadoran preference for the ruling Nationalist Republican Alliance party [ARENA] rose by five percentage points over the last three months. The support for President Armando Calderon Sol slipped again during the same period.

These figures are the result of a poll by the renowned Gallup public opinion survey firm. The poll was taken between 30 May and 8 June among 1,246 Salvadorans from the country's major areas.

The survey shows that Salvadoran support for the president's work dropped 6 points in three months. It is less than the 33-percent drop the president experienced from September 1994 to January 1995.

Gallup did not account for those who said it was neither good nor bad. The experts added the scores for good and very good and subtracted the sum from the combined total of those who find the president's work bad or very bad.

According to the equation, Calderon had a 19-percent approval rating in September 1994. In February, he lost 33 points, to land at minus 14. That drop has now increased to minus 20 points.

The survey shows that women are the most critical, as they face greater economic problems, especially those over 60 years of age and with just elementary school educations.

Despite these figures, the study also reveals that ARENA in June 1995 had the most supporters among the Salvadoran population. The party received a 40-point rating when compared to other political party preferences. Just three months ago, it scored 35 percentage points, which shows that growth is significant.

The Farabundo Marti National Liberation Front [FMLN] follows as the second most preferred political group, as it increased its score by five points over the same period of time.

The FMLN attracts mostly younger people under the age of 24 (20 percent of the total interviewed) and people with a high school education or better.

The Christian Democratic Party [PDC] is in third place (with 10-percent support). The National Convergence (with 5 percent) and the National Conciliation Party (with 5 percent) trail. Of every 10 adults, two said they had no party preference or simply declined to answer when asked about their political affiliation.

President's Performance

As part of the study, Gallup asked: How would you evaluate President Armando Calderon Sol's performance?

Out of the total number of people interviewed, 15 of every 100 people said very good (1 percent) [figures as published], or good (14 percent). Meanwhile, 48 percent believe his performance to be neither good or bad.

Those who said it was bad (27 percent) or very bad (8 percent) represent a total 35-percent rating.

Opinions are quite similar based on the Salvadorans' education levels. They differ depending on their financial situation. According to this, those who say they are worse off now are more critical of President Calderon Sol's performance.

ARENA's political rivals, particularly the FMLN, are those who mostly rate the government's work negatively.

The poll measured various aspects regarding actions taken by the current administration. One relevant fact is that the campaign promises made by Dr. Calderon Sol that Salvadorans remember most are: aid to the poor (37 percent), the fight against the rising cost of living, the construction of homes, and the eradication of poverty.

However, after 12 months in power, one half of the Salvadoran people believe Dr. Calderon Sol has not kept his promises. ARENA members, to a greater extent, believe that the government has met their expectations. The most skeptical group is concentrated among the more educated persons under 40 years old and among those persons who believe that the economic situation has worsened.

The Government's Greatest Achievement

Part of the Salvadoran people's lack of confidence in the administration is reflected in the fact that according to the poll 52 out of every 100 persons do not remember or know of any accomplishment achieved by the Calderon Sol Administration during its first year in office.

Fifteen percent of the persons surveyed believe that Calderon Sol improved the conditions of the roads, 8 percent valued his contributions toward peace, and 4 percent remembered the conflict and violence.

In assessing his achievements, 21 percent of the persons surveyed chose to position themselves in the "others" group, which includes fighting corruption, improvements in education, providing drinking water for towns, and improvement of Salvadorans' housing.

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The Work of Armando Calderon and Alfredo Cristiani 1990-95

Percentages

	Calderon	Cristiani
Opinion	June 95	August 1990
Total	100	100
Very good	1	11
Good	14	16
Neither Good, Nor bad	48	49
Bad	27	5
Very bad	8	4
[Word indistinct]	2	15
Approval index	- 20	18

Campaign Promises: Do you remember any of President Calderon Sol's Campaign Promises?

Percentages

[words indistinct] peace, health	5
Improve and [word indistinct] streets	4
Create jobs	7
Improve the economy	7
Eradicate poverty, the cost of living ...	37
Don't remember, no response	40

The Administration's Worst Failures: What do you believe is the greatest achievement [as published] of this administration?

Percentages

Failures	February 1995	June 1995
High cost of living	18	41
Economic Plan increases taxes	9	—
Does not keep its promises	4	11
Lack of security	6	7
Government corruption	3	5
Unemployment	1	2
Others	19	11
Don't know, none	40	23

Administration's Achievements: What do you believe is the greatest achievement of this administration?

Percentages

Fighting violence	4
Peace	8
Loans	4
Streets	15
Others	21
None, don't know	52

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Opinions favorable to political personalities

Name	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95
Alfredo Cristiani	—	—	45	71	64	59	64	59	58	58
Ruben Zamora	—	—	10	14	11	24	26	26	35	36
Armando Calderon	—	24	48	70	59	49	45	49	49	33
Joaquin Villalobos	—	—	—	—	—	—	—	23	20 20	14

Fulfillment of Campaign Promises: To what degree do you believe President Calderon Sol has kept his campaign promises?

	Total	ARENA	FMLN	PDC	Other	None
Total	100	100	100	100	100	100
Very much	2	3	2	—	1	1
Somewhat	?	?	8	8	7	8
Little	22	24	17	22	22	21
Not at all	?	?	47	48	40	36
Don't know, No answer	30	31	26	22	20	?

When the respondents were asked about the current administration's main faults or mistakes, 73 percent of the population was able to identify some.

The high cost of living (41 percent); failure to fulfill promises [11 percent); lack of security (7 percent); corruption within the government (5 percent); and unemployment were among the main faults people found with the Calderon Sol administration.

The poll was conducted prior to the approval of the 3 percent VAT [value-added tax] increase and the signing of the San Andres Pact between the government, ARENA [Nationalist Republican Alliance], and the Democratic Party.

As for the Salvadoran people's main concerns, the respondents said that President Calderon's main priority in the future should be to generate jobs (22 percent); decrease the cost of living (15 percent); combat crime (16 percent); and help the poor (10 percent).

Country's Course

Is the country on the right course or is it not? This was also asked of the respondents, 71 percent of whom answered that it is not on the desired course. Three months ago, 67 percent of the people had this perception, which means that the group that perceives a mistaken course has increased by 4 percent.

Only 22 percent felt that the path followed by the government is correct. This opinion is growing, according to the study, among people who claim to be ARENA supporters.

Another interesting fact shown by the Gallup poll is the popularity of certain politicians. Former President Alfredo Cristiani is the most popular politician in the country with a favorable vote of 48 percent (although this figure has dropped by 10 points since 1994), followed by Ruben Zamora (favorable vote of 36 percent), and President Calderon Sol (favorable vote of 33 percent).

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Methodology

The poll was conducted between 30 May and 8 June among 1,246 Salvadorans throughout the country. The respondents were a demographically representative sample of the Salvadoran population 18 years of age and older, living in private homes.

The information obtained is 95-percent accurate with a margin of error of 2.80. Publication rights are owned exclusively by EL DIARIO DE HOY.

The respondents were divided equally between men and women. Of 100 percent, 26 percent live in San Salvador, 15 percent in other cities, and 59 percent in the rest of the country.

Twenty-six of every 100 respondents were under the age of 25; 25 percent were between 25 and 34; 18 percent between 35 and 44; and 31 percent over age of 45.

The respondents were also classified by their level of education and job situation.

Guatemala

President Seeks $121 Million in Aid Abroad

PA2306021095 Guatemala City SIGLO VEINTIUNO in Spanish 19 Jun 95 p 2

[Report by Luis Ixbalanque de Leon]

[FBIS Translated Text] On Wednesday in Paris, the Guatemalan delegation led by President Ramiro de Leon Carpio will attend an informal meeting of the Consultative Group, which is comprised of 52 donor nations and international organizations. The government will request that delegates from this Consultative Group donate a total of $121.8 million to cover funds required to finance 26 programs considered top priority due to the end of the internal armed conflict.

The government's analysis, contained in the document "Toward a Fair and Lasting Peace," reports that *the period of greatest deterioration in Guatemala's well-being coincided with the internal armed conflict (1980-90), when the GDP per capita fell 19.2 percent, having descended in 1985 to 1970 levels.*

Likewise, it indicates that the armed conflict contributed to increasing poverty and extreme poverty in the nation. Between 1980 and 1989, these indices increased from 10 to 25 percent respectively.

Obstacles to Consolidating Peace

In the document "Toward a Fair and Lasting Peace," the government reports three main difficulties that prevent the consolidation of peace: the high level of institutional inefficiency in the public sector; the low tax rate; and the deterioration in quality and in the fair distribution of public spending.

With regard to the first difficulty, it reports that the decade-long administrative centralization of the public sector has contributed to this; as well as the state institutions' inability to adapt services to communities' needs; the excessive bureaucracy; and the weak government presence in the more isolated geographic areas. The document also adds *the difficulty in providing social services in the traditional manner; the inefficiencies in the system of planning, control, and follow-up of projects; and the lack of institutional coordination.*

As far as the last two difficulties in the consolidation of peace, the document explains that, on one hand, the Guatemalan tax rate (6.8 percent of the GDP in 1994) is the lowest in Latin America. On the other hand, the deterioration in quality and the fair distribution of public spending limits the state's capacity to respond to the demands of basic social services and of minimum infrastructures for the nation's modernization.

Increase in Tax Collection

The report states that, at the same time the negotiating process with the guerrillas was taking place, the government implemented a tax reform and a program of tax collection modernization, with which it is estimated that by next year tax collection will reach 1.678 billion quetzales (approximately 22 percent of the GDP).

It also mentions the strengthening of social funds, the Attorney General's Office, the Police Academy, and the General Prosecutor's Office, as well as the initiation of the programs of decentralization and deconcentration of basic services at the Health and Education Ministries.

It adds the reorganizations of the Presidential Commission for the Coordination of Human Rights, the creation of the Secretariat for Peace, Development, and National Reconciliation, and also notes that the legislative Assembly and Coordinating Committee of Agriculture, Commercial, Industrialists, and Financial Associations have their corresponding peace commissions.

The government has designed three Priority Emergency Programs to comply with the agreements signed with the guerrillas to date.

— A program for displaced peoples in the relocation phase (this phase includes six projects, including the purchase of land — for which 1.9 million quetzales is requested from the donors; guards for the resettled population, 9.4 million quetzales; basic economic reinsertion, 10.5 million quetzales; documentation of returned

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settlers, 1 million quetzales; removal of explosive devices and education programs, 832,000 quetzales; and recognition of informal education, 687,000 quetzales).

Meanwhile, the economic reinsertion phase includes a development project in the Guatemalan-Mexican border areas, 9.3 million quetzales; schools for peace, 5.3 million quetzales; water, 5.7 million quetzales; overall development of the Ixcan municipality, 14.7 million quetzales; Quiche agricultural project, 8 million quetzales; infrastructure development of the Alta Verapaz and Tetonicapan, 6.4 million quetzales; small farmers of Huehuetenango project, 625,000 quetzales; administration of the Peten forest, 7.3 million quetzales; and sustained development, 17 million quetzales.

—A program on the identity and rights of the Indians, which includes six projects (legal reforms for which 140,000 quetzales are requested from the donors; recovery and protection of Indian languages, 193,000 quetzales; respect and protection of spirituality, 147,000 quetzales; training for the defense and rights of Indians, 1 million quetzales; strengthening of local authorities, 527,000 quetzales; support for productive initiatives, 5.1 million quetzales).

-- The strengthening of respect for human rights, which includes reforms tied to the fulfillment of the human rights agreement, 82,000 quetzales; training on and reinforcement of human rights, 619,000 quetzales; and strengthening of the right of law, 9 million quetzales.

Financial Needs for Peace [all figures as published]

Program Components	Execution Period	Total Cost	Internal Project	Foreign Funds	Financial Gap
Attention for uprooted settlements	3 years	$196,688.1	$71,332.9	$20,345.0	$105,010.2
Reinsertion	3 years	$142,771.9	$45,663.7	$16,600.0	$ 80,508.2
Total	3 years	$226,618.3	$84,393.3	$20,345.0	$121,880.0

This emergency program has a total cost of $226.7 million, of which $84.2 million would come from the government and $20.3 million from foreign financing, which is being negotiated. From that account, the gap to be covered totals $121.8 million.

Nicaragua

Officials' Telephone Lines Reportedly Bugged

PA2206130195 Managua BARRICADA in Spanish 21 Jun 95 pp 1, 7

[Article by Noel Irias]

[FBIS Translated Text] The Nicaraguan Government is conducting espionage from the installations of the Nicaraguan Telecommunications and Postal Services Institute, Telcor, by wiretapping the telephones of labor union leaders, diplomats, deputies, government officials, and political leaders, including the telephone lines of Daniel Ortega, secretary general of the Sandinist National Liberation Front, FSLN, according to the results of an investigation conducted by BARRICADA.

Government Minister Sergio Narvaez and Telcor Spokesman Orlando Barrera flatly denied the existence of a telephone espionage network in Nicaragua.

Narvaez in his usual monosyllabic tone answered:

— Does the Nicaraguan Government conduct telephone espionage?

— "No. It is prohibited."

— Is there any government institution — the DAI [Directorate of Intelligence Affairs], police, or any intelligence body — authorized to conduct telephone espionage?

— "No."

— Is there any agreement between Telcor and any government or police security agency to conduct telephone espionage?

— "None."

Barrera, meanwhile, categorically said: "It is not Telcor's policy to meddle in the private lives of citizens under any norm or procedure. The Constitution guarantees citizens the right to a private life. It is not Telcor's duty to listen to private conversations."

"In Telcor there is no one doing this. We do not carry out this type of mission." he added.

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Barrera, however, said that there is a service to detect threatening or offensive telephone calls in which a client asks Telcor, in writing, to identify a person making the calls by means of a telephone call catcher.

Barrera said that in the past, Telcor was a military institution that provided services to the country's intelligence services, but once President Violeta Chamorro took office, the service was discontinued.

Despite the statements made by the two officials, illegal telephone spying during the Chamorro administration is not new.

Hurtado Used To Do It

Telephone wiretapping began in 1992, during the administration of Carlos Hurtado in the Government Ministry, which by means of an agreement with Telcor could authorize a certain degree of telephone espionage in order to resolve strictly criminal cases.

Specialists who were consulted said the telephone espionage was conducted in a technically primitive manner. As time went by, the telephone espionage, which could not be used as evidence in court — but which was very useful for operational purposes — was extended to the political field.

Technicians consulted by BARRICADA said that once the digital telephone system is adopted in Nicaragua, the only wiretapping limitation would be the number of tape recorders that can be put into service.

Our sources, who in all cases asked to remain anonymous, stated that illegal wiretapping operations are being conducted from telephone interchange stations in Las Palmas, Ticomo, Christian Perez, Jorge Navarro, Las Colinas, and Villa Fontana, among others.

One of the telephone interchange stations that is used the most for illegal espionage operations to record conversations is the one in Las Palmas. According to our informers, there are two reasons for this: a majority of the persons whose conversations are tapped have telephone numbers belonging to this station and also because it was the first digital telephone station installed.

There are currently different methods of bugging telephone calls. One of them is to order a computer to transfer the call to a tape recorder — installed in a different location — every time the number is dialed through a parallel line.

Another method is to program a computer to only register the numbers dialed or calls received by a certain person.

A more primitive method of conducting wiretapping operations is by installing a direct bridge in one of the distributors and recording right there.

Former President Ortega's Line Tapped

A complex connection was used in April and May 1995 from Las Palmas station to wiretap the telephone conversations held by Daniel Ortega through his private numbers 663778 and 663776.

Few people know that Ortega has, since his days as president, a private cable with a capacity for up to 20 telephone lines.

According to our sources, the wiretapping operation is conducted through the entire Telcor network up to the area of Las Colinas, where the house in which these conversations are recorded is located.

The bridge was lifted early Easter week, immediately after the sabotaging of the telephone cable in Las Colinas, because this cable contains lines with telephone numbers starting with 7 and 78, and a regular Telcor employee could have asked himself what could a telephone number beginning with 66 be doing on that line, the sources said.

In this same period, the Telcor employees installed bridges on numbers 667033 — terminal block six, row three, pair 30 of the interchange station in Las Palmas — and 667034 — terminal block six, row three, pair 30 — which corresponds, according to the telephone directory to the Peace Corps of the U.S. Embassy. These offices, however, are not located at the Carretera Sur address, but in Bolonia.

The Government Too

Telephone number 669420 of the Finance Ministry has also been bugged since March. BARRICADA tried to identify who the user of this number was, but on 29 May the computer reported it was out of order. Starting in the second week of June, the computer reported it was being used for a fax machine.

The telephones of several citizens with no apparent political connections, whose numbers we will reveal throughout this series, were also wiretapped.

The installations in Las Palmas are one of the most protected installations by Telcor's security personnel. The installations include two buildings, one housing the technical department and the other one housing the administration offices.

Even though it may not seem logical, the human rights organizations are victims of illegal telephone spies as well. In March, unidentified Telcor employees

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wiretapped telephone number 668940, which belongs to the Nicaraguan Human Rights Center — CENIDH.

Spying on the conversations of labor union leaders is nothing new, it has been going on for years. The documents in the hands of BARRICADA include a manuscript containing undated transcripts of the telephone conversations of Roberto Gonzalez, a transportation sector leader.

This is the text:

— "Hello, is Mayra there?

— She is not here, who is speaking?

— Ramiro

— Oh

— Do me a favor.

— Who is speaking?

— Roberto.

— Oh, listen to me Roberto, now that you are calling, Epifanio called yesterday, I believe they have a meeting today. Another thing, before leaving, Miguel Ruiz said yesterday that he would not come. He said you should go to Jinotepe. He will be waiting for you there at four. He said you should take Epifanio along."

This is another recorded conversation:

— "Hello.

— Mrs. Abigail.

— Yes.

— Do me a favor, tell Marta to come to court because we are going to file the lawsuit there. I spoke with the prosecutor here. She is at work. We are not going to the police, we are going directly to court. They are going to make a sketch of all the damage.

— Fine."

Throughout the investigation, government officials have said that in 1994, two telephones lines used by high-ranking employees of the Government Ministry were wiretapped. These telephones lines were 781376 and 73475.

The last telephone operation we learned of occurred on 17 May after the events in Rahenia, when a Telcor technician from the plant at the Jorge Navarro building cut the telephone lines of the Secretariat of the FSLN National Directorate — four lines — and those from the office of Monica Baltodano at the installations of the Popol-Na Foundation — two lines.

Meanwhile, orders had been given at the Christian Perez neighborhood plant to cut the 17 telephone lines of the Parrales- Vallejo Cooperative.

The technicians who were consulted said that all of these telephone wiretapping operations could be suspended in a very short time, either erasing the wiretapping order from the computer or by withdrawing the bridge from the corresponding telephone pair.

For a long time, different political leaders have reported the existence of telephone espionage in Nicaragua, but interference in the private lives of citizens continues. Even though the Constitution prohibits this type of political espionage, far are the days of Sir Mansfield Cummings, first chief of the British Secret Service, whose officers said: "Gentlemen do not read other people's mail."

UNAG Leader on Reform, Political Alliances

95CA0256A Managua EL SEMANARIO in Spanish 18 May 95 pp 16-17

[Interview with Daniel Nunez Rodriguez, president of the National Union of Farmers and Cattlemen, UNAG, by Fabian Medina; place and date not given]

[FBIS Translated Text] When a considerable group of Sandinists over a year ago released the document known as *"For Sandinism Restored to the Masses"*, one of the first signatures was that of Daniel Nunez Rodriguez, president of the powerful UNAG [National Union of Farmers and Cattlemen], the campesino organization that has nearly 100,000 members, a number of enterprises, a bank, and ministers and vice ministers in the present government. This group began the renewal of the Sandinist Front, and Nunez was seen as one of its principal instigators.

However, some months later, the name of Daniel Nunez no longer appears in public documents and records. His silence during these months has been interpreted as a distancing from the movement, and recently a rumor began to make the rounds that UNAG was getting involved with the National Plan promoted by Minister of the Presidency Antonio Lacayo.

In this interview which ends several months of silence, Daniel explains the reasons for his distancing from the Sandinist Renewal Movement, and acknowledges his sympathy with the National Plan, though he denies that UNAG is "wedded to any political movement."

"We are in the process of deciding," he says, adding that the least they expect from the group which UNAG supports in the next elections is to have a decisive influence in the new government. "At least about

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20 campesino deputies who head the slates and are not simply tokens, influence in the MAG [Ministry of Agriculture and Livestock], the INRA [National Institute for Agrarian Reform], and the Bank, and to win some rural mayoral seats," he says.

Nor does he reject the possibility of running on some presidential slate, acknowledging that he has received some proposals, but "everything is still up in the air."

Daniel Nunez Rodriguez has been president of UNAG for over a decade, and he intends to leave that post in 1997, when new officials are elected. "I am not going to run for the UNAG presidency even if I am asked to," he says with certainty, speaking in his Las Palmas office from where he longs to return to the Matagalpa countryside.

[Medina] Are you in UNAG satisfied with the Reforms?

[Nunez] No, we are not satisfied. The problem of ownership that is vital in order to strengthen stability was not dealt with in depth, and that places the country in a very difficult position. And one wonders, what interests can be prevailing to keep this national demand from being finally resolved, even though there are many deputies in the National Assembly who were creators and advocates of the Agrarian Reform?

There are other things which we do support. Nonreelection is a principle that we have considered vital since the old anti-Somozist battles. We are anti-Somozists by tradition, and one of our battle slogans was: no reelection.

[Medina] In this struggle between two branches of the government, both the Executive and the Legislature use arguments that at times are totally opposed. In your opinion, who is right in this dispute?

[Nunez] We cannot act as judges to say who is right and who is wrong. On political questions in Nicaragua we are not free of sin. The important thing here is that both branches of government should recognize the damage which this confrontation is causing to the nation, and sit down to solve this problem once and for all and reach sustainable and serious agreements in order not to continue sacrificing the most vulnerable sectors for minority political and personal interests. It does concern us that, a little more than a year from the elections, more attention is being paid to electoral issues than to the problems of the economic crisis, citizens' safety, etc. In these campaigns the people are always the ones who are hurt, for there is no clear strategy to benefit the people.

[Medina] You say that no one is free from sin in this conflict between powers. What are the sins on both sides?

[Nunez] My opinion of the Legislature is that it has not achieved strong unity on the reforms by working with the government with maturity and restraint to promulgate them based on the nation's interests. And the Executive's mistake, in my opinion, was that it dug its heels in and said *this is mine, and I will not budge an inch*. They need to begin talking to resolve this, which is becoming nasty and dangerous politicking.

[Medina] People say that UNAG is allying itself with Minister Antonio Lacayo's National Plan. What about that? Have you moved in that direction?

[Nunez] Everybody talks with Mr. Lacayo and nothing happens, but then comes Daniel Nunez, who is "chapiollo" [expansion not given] and provincial, and that creates a scandal. I talk with anyone who wants to talk to me. I will tell you that in politics we are not wedded to anybody, especially as it is the campesinos of our country who have always been left outside of development.

We have drawn closer to the government since the social and economic coalition began, and it has been a relationship of great respect, maintaining our points of view in the labor and management strategy we are developing, and all with a strong component of social justice.

In UNAG's National Board of Directors we have been discussing with all our departmental leaders whether or not we will participate in the future elections—and if we do so, it is going to be to strengthen the democratization of the nation, so there will be a government that is committed to the nation by promoting a policy of social justice, and to guarantee this, we would have to have a great deal of representation in that government in order not to betray our campesinos' aspirations for peace and development.

[Medina] Do you hope to control a sector of the new government?

[Nunez] No, not control, to have influence. We hope to have a strong representation of deputies, campesinos and producers, rural mayoral seats, and to have representation in the INRA and MAG. But what is most important to us is to have a presence in the key places in government, so that an economic policy for strategic growth will be designed, the destruction of the environment will be stopped, etc. That is what is most important. What is the use of having a ministry if the state operates by other rules or responds to other interests?

[Medina] But do you feel sympathy for the National Plan?

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[Nunez] Yes, I feel some sympathy, for a National Plan cannot be exclusive; there must be room for all of us who are interested in peace, development, and the growth of our nation, where everyone, Christians and Jews, men and women with parties and without parties, workers, campesinos, business and labor, can all gather around to work for the growth of the nation, not to strengthen bosses and dictators or elitist economic groups. Economic democratization with social justice has to be the principal rallying cry of a National Plan so there will be peace and stability for all.

[Medina] You were a member of the Renewal Movement and now you have distanced yourself from it?

[Nunez] I say this with pride: I was an enthusiastic advocate of the renewal of Sandinism, but I was not in the Front. I greatly esteem Comandante Maria Tellez, Dr. (Sergio) Ramirez and many other comrades who are in the movement, but I do not agree with forming another party. Party divisions have been tragic in this country's history. I remember that in an interview I said to you that if the Front divided I would stay at home on election day, and that is something that bothers me every day, for I remember the philosophiical statement: *More than injustices, what disturbs me is the egotism of humans, that they remain unmoved.*

I firmly believe that if the Sandinist Front had not split and if Comandante Daniel Ortega had remained consistent with the historic approach he advocated when we lost the elections, in '96 we would have again returned to power through the people's vote.

[Medina] Your withdrawal from the Renewal Movement has been silent, at least publicly... Did you express your opposition internally?

[Nunez] No, no. It was silent, like someone leaving a funeral after a good brother has been buried.

[Medina] Why?

[Nunez] For many sad and painful reasons, and also because we had other important work to do: to get Ecodepa [expansion not given] through its crisis, to found the Banco del Campo [Bank of the Countryside], to promote the development of Carnic [expansion not given], to found the Rural Savings Banks, to continue promoting reconciliation with former Resistance members at the grassroots, defending the land of cooperative members, etc. All this work together has strengthened us as campesino leaders and has kept us in a real and strategic unity.

I thank you for this interview, because we feel that BARRICADA and EL NUEVO DIARIO have abandoned us. On 23 April we celebrated the 14th Anniversary of UNAG over two days. We invited them and they did not come. There were hundreds of campesinos. Let us say here that the land is ours and we are going to defend it with or without reforms.

[Medina] Are you going to run for public office in 1996?

[Nunez] That will depend on the alliances that can be made to move the country forward. We campesinos do not want to continue providing the deaths while others provide the ministers. Nor do we want to give our votes so that later they can give us more taxes. In my particular case it is not the job but the Nation that interests me, and I have pledged that if in any circumstance I decide to play a personal role, I will be true to my campesino roots, to my class, and to my Nation. But that will depend on many things that need to be clarified along the way.

Some very important campesino sectors have said to me: "Wherever you go, we will follow you; keep going."

[Medina] Have any offers been made to you?

[Nunez] More or less, which means nothing. I have appeared in some proposals as a member of a presidential slate for one of the two factions of the FSLN [Sandinist National Liberation Front]; however, that is not possible without Unity, and I want to put it on record that if as UNAG leaders we take part in politics, it will be for a strategic plan for peace, reconstruction, and the development of our Nation.

[Medina] You spoke of alliances. Is there some sector that UNAG would never form an alliance with? With Aleman, for example...

[Nunez] In politics "never" is a word that cannot be used, but an alliance with this gentleman is unlikely. He has pursued a line of confrontation, of anti-Sandinism... For us, Aleman is Somozism.

Panama

Foreign Minister Views Panama Canal Reversion

PA2306030595 Panama City Circuito RPC Television in Spanish 2300 GMT 22 Jun 95

[From the "RPC Television News" newscast]

[FBIS Translated Text] The Commission for the Transfer of the Panama Canal sees new elements in the reversion process of the waterway. Abdiel Antonio Gutierrez has the story:

[Gutierrez] The presidential commission met at the Foreign Relations Ministry to address issues regarding the reversion of the waterway to Panamanian hands.

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Foreign Minister Gabriel Lewis Galindo noted that the preparation efforts have doubled.

[Begin Lewis recording] In fulfilling this goal that things should improve, the Panamanian members of the Panama Canal Board of Directors asked, and we agreed, to meet eight times a year instead of meeting four times a year. [end recording]

[Gutierrez] Panama Canal Administrator Gilberto Guardia took advantage of this opportunity to explain that the number of accidents in the waterway has decreased as the Panamanian labor force increased.

[Begin Guardia recording] We observe two interesting phenomena there: 1. There are more Panamanian pilots; however, there are less water accidents, and more vessels of large tonnage are navigating through the waterway, although it is more difficult for these vessels to cross the canal. However, we noticed a decrease in the number of water accidents. [end recording]

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Argentina

Russian Deputy Premier Visits, Meets Menem

PY2206123095 Buenos Aires TELAM in Spanish 0043 GMT 22 Jun 95

[FBIS Translated Text] Buenos Aires, 21 Jun (TELAM) — President Carlos Menem today in Government House met with Oleg Davydov, deputy prime minister of the Russian Federation, with whom he evaluated the strengthening of bilateral relations.

Government sources reported that Davydov, who visited Menem in the company of Yan Burlyay, Russian ambassador to Argentina, talked with the Argentine president about the possibility of importing Argentine products.

Foreign Minister Guido Di Tella also participated in the meeting.

The visit of the Russian deputy prime minister coincides with the visit to several Russian cities that is being made by Buenos Aires Province Governor Eduardo Duhalde.

The governor today opened the House of the Province of Buenos Aires in Russia, and indicated that the objective is to intensely "develop" the possibilities of doing business on the basis of a compensated exchange.

Signs of Impending Fishing 'War' Noted

PY2106165095 Buenos Aires LA PRENSA in Spanish 18 Jun 95 p 8

[Report by Natalia Otazua and Laura Ojeda]

[FBIS Translated Text] Felipe Sola, agriculture, livestock, and fishing secretary, has used the old building on Paseo Colon to launch the first barrage in the "netting war" that began recently.

Sola said: "The fishing of squid will create for us serious political problems in the near future because we will cease to tolerate the depredation of fishing resources." Defense Minister Oscar Camilion warned: "We must be ready. In the short term we will see an important conflict between Argentina and those countries that fish without control outside the 200-mile limit." Foreign Minister Guido Di Tella said: "Argentina will not accept deprecatory practices. We must maintain a strict preservation policy. We do not rule out the idea of supervision beyond the 200 mile limit."

Officials have suggested extending the limit to 250 miles.

Fishing Tricks

Argentina has a 200 mile Exclusive Economic Zone (ZEE) in the South Atlantic. Only Argentine flagged ships, and foreign ships specially authorized by the Fishing Directorate can operate there.

Fishing species, however, are creatures of habit. Most commercial fishing species live on the continental shelf, usually inside the 200 mile limit. To fish them fishing fleets sail along the edge of this imaginary limit and every so often stray into the exclusive zone to fill their holds.

Migratory species, that is, species that migrate between the warm coastal waters and the cold depths beyond the 200 mile limit are the choicest treasure for poachers who wait at a certain point on their migratory route, outside of the ZEE, to capture them and thus evade all controls. They use this method to catch squid, hake, and pollack, three species with high commercial value that are being depredated mercilessly.

Squid produces fabulous profits. Each metric ton is valued at about $1,000 and each ship holds between 250 and 500 metric tons. Considering each ship fills its hold once every two weeks and multiply it by the 250 ships sailing just over the border of the ZEE you will obtain an amazingly vast figure, from the point of view of profits as well as from the point of view of conservation.

It is believed that the benefits obtained by clandestine fishing fleets exceed the $750 million obtained by Argentina for the export of its fishing products.

Cold Blood

During the fishing conflict between Canada and Spain, Felipe Sola warned that if immediate measures were not taken the next conflict will involve Argentina.

On that occasion Canada decided to prevent the depredation of the blackfish [fletan negro], unilaterally extended its control over extra-jurisdictional waters, and sent its Navy to stop the Spanish ships operating in the zone. Madrid, in turn, sent its warships to protect fishermen operating near Terra Nova from attack by Canadian conservationists. For Spain the issue is not minor: Spanish Foreign Minister Javier Solana recognized that the Spanish fleet obtains 80 percent of its catch outside its territorial waters.

"The Canadian attitude may be considered reprehensible by those who object to the use of force, although it is absolutely explainable," said Felipe Sola about using the Navy to capture fishing boats.

"I have participated in decisions that made me sweat. Do we or do we not shoot to make the ship obey. On one phone I had the ship commander and on the other I had the Foreign Ministry giving me the green light

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to start a repressive action," Admiral Enrique Molina Pico confessed when explaining the decision to capture a poacher.

The Navy had its baptism by fire in the netting war when a patrol boat caught the Spanish trawler "Playa de Canaval" illegally operating in Argentine jurisdictional waters. The trawler captain refused to stop, forcing the corvette "Parker" to fire three times with inert shells (which do not explode but pierce the ship's hull) damaging the trawler, while a helicopter fired warning shots from the air.

Minister Camilion said: "We must handle the situation carefully. What matters here is to show that you cannot just do anything you please in international waters." Molina Pico added: "The Navy acts as the armed branch of Argentina's foreign policy. We must combat the depredating invasion of the South Atlantic because it is a real aggression against all Argentines."

Negotiation

Sola, Camilion, and Molina Pico's strong remarks were reinforced by Vice Foreign Minister Fernando Petrella, who said: "The important thing here is not to extend our jurisdiction, but to reach agreement and stop the depredation of sea species."

The Foreign Ministry has been working on the issue for the past three years. Foreign Ministry officials were able to bring together — although only for informal meetings — representatives of coastal countries, seeking to coordinate their positions on the control of fishing and the consequences of over exploitation. They did not rule out the possibility of creating, between Argentina and other coastal countries, an organization like the one the United States calls NAFO [Northwest Atlantic Fisheries Organization] which seeks to regulate fishing activities in that zone.

Negotiations also include the EU. The 1992 agreements between Argentina and the EU were renewed a few days ago, but only one paragraph of good intent and a commitment to discuss the issue again at the next UN conference in July refers to the issue of adjacent sea.

A few days ago the United Kingdom and Argentina issued a joint declaration granting "basic importance to the preservation of the species" and "observing with concern the illegal activities of trawlers in the South Atlantic." The declaration adds that both parties will meet again to study how to prevent this type of activity.

The reduction of the catch in other parts of the world and the increased industrialization of sea products has turned the Argentine sea and nearby areas into a powerful magnet for the commercial interests of nations that are used to exploiting fishing species to exhaustion, as has already occurred with codfish in northern seas.

Bolivia

Aranibar on Talks for Free Trade Zone With Mercosur

PY2206205295 La Paz Television Nacional Network in Spanish 1700 GMT 22 Jun 95

[FBIS Translated Text] Bolivia is making steady progress in its rapprochement with Mercosur [Common Market of the South]. It is currently negotiating the terms of a free trade agreement.

Bolivia intends to take advantage of every possibility, at least in the integration field. Although the fact that it belongs to the Andean Pact precludes if from joining Mercosur, diplomatic negotiations will open new doors for Bolivia, especially for the establishment of a free trade zone with the Mercosur member countries. This formula is known as the four plus one formula.

[Begin Foreign Minister Antonio Aranibar recording, in progress] ...we have specifically stated Bolivia's interest in reaching a free trade zone agreement with Mercosur by 31 December. Why have we made this proposal? Because during a recent meeting of experts, Mercosur decided that by 31 December it would reach an agreement with the Andean Pact member countries.... [end recording]

Foreign Minister Aranibar said that these negotiations will take into account the historic heritage of both the Andean Pact and Mercosur member countries. Bolivia has separate agreements with Argentina, Brazil, Uruguay, and Paraguay. However, favorable agreements for each of these countries is sought through the creation of a free trade zone.

A meeting of diplomatic representatives of the Mercosur member countries and Bolivian authorities is scheduled for August to make the final arrangements for a common agreement that will favor the countries of the zone from the commercial viewpoint.

Fernandez' UCS Return to Government Viewed

PY2206041595 La Paz PRESENCIA in Spanish 15 Jun 95 pp A1, A7

[FBIS Translated Text] Max Fernandez and his Solidarity Civic Union (UCS) on 14 June returned to the government, from which they withdrew because of internal disputes nine months ago. This time they returned at the invitation of President Gonzalo Sanchez de Lozada himself — the president is the chief of the MNR [Nationalist Revolutionary Movement] — who hopes the

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UCS support will expedite the approval of supplemental laws for the capitalization of public enterprises.

The president designated Max Fernandez as his adviser, who will attend cabinet meetings "whenever necessary," as is set forth by the Act of National Agreement that the two political leaders signed at Government Palace on 14 June. The ceremony was attended by a few MNR and UCS leaders.

In his speech, the president said that "we are striving for a higher objective, which is the project that seeks a change; in politics, it is the results — not the good intentions — that are important. The UCS support should help us improve our projects and identify mistakes and deficiencies."

He called upon the opposition to unite, in order to work for a consensus on the reforms being sponsored by the government. "I want to ask all opposition parties to think that Bolivia comes first."

It should be recalled that it was Sanchez de Lozada himself and the MNR leadership who, on 21 September 1994, broke with the UCS, claiming that Max Fernandez was a "stone in our shoes," and that his party was an "unfeasible" political project.

Fernandez said several things in his speech. He said the return of his party will give the government the fourth wheel it needed in order to move along a single course, emphasizing that the UCS return to the government coalition will help normalize the situation in the country.

The entrepreneur and political leader repeatedly said that the agreement with the MNR and with the president is unconditional, and that it involves neither privilege nor "public posts," but an effort to reach a broad national consensus in order to cope with the main problems affecting the country.

"With quarrels and division we will neither be happy nor able to successfully implement the projects. While it is true that there were problems in the past, now there will be no more fighting over jobs," the UCS leader said.

However, neither the MNR nor Max Fernandez said whether the reconciliation will last until 1997. "I hope it will. We have signed a much more serious agreement," Government Minister Carlos Sanchez said. "One cannot know what will happen, but I am optimistic. Only God knows what will happen. The agreement can last one year or months," Fernandez said.

The Agreement

The National Agreement Act signed by Sanchez de Lozada and Max Fernandez sets forth that:

1. The UCS, through its national leader, will participate in the decisions about government projects;

2. The MNR and the UCS will coordinate their action in Congress and within the executive branch;

3. Within the executive branch, the UCS will cooperate with its best human resources in order to achieve optimum operation;

4. In Congress, UCS members will continue to participate as chairmen or members of Chamber of Deputies' committees;

5. The two parties will participate in the municipal elections, maintaining their independence but mutually supporting each other. The party that obtains the lower number of votes will support the other party;

6. President Sanchez de Lozada has invited Max Fernandez to work as his adviser.

Nine months after his voluntary withdrawal from the government coalition, Max Fernandez surprisedly announced his formal and "unconditional" return to the government, in order to exercise supervisory and advisory functions during the rest of President Sanchez de Lozada's term.

This time, after a meeting with the president, the brewery entrepreneur said that he is not interested in "public posts" but in cooperating to reach a national consensus. "Considering that Sanchez de Lozada has already completed 50 percent of his term, it is not appropriate to talk about public posts," the political leader and entrepreneur smilingly said on 14 June.

He added that the main condition for the UCS' full return to the government is the inclusion of the modifications into the Tax Reform and into the government proposal for decentralization of the state.

On 21 September 1994, Fernandez broke with the government after an unstable, difficult relationship with the coalition. The decision was made because of the distribution of power and because his party had been ignored in the main government decisions. After that break, the government started to pressure Max Fernandez by demanding payment of his accumulated tax debt.

Fernandez' withdrawal from the government coalition caused a quantitative weakening of the coalition in Congress, but also produced a rift within Max Fernandez' UCS. The signals of the new rapprochement began to appear a few days ago, when the UCS isolated itself from opposition parties and supported the government decentralization proposal.

"I imposed no condition. The only condition is to look for a consensus, and this is what is being done through

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decentralization. Furthermore, I believe it will yield good results," Fernandez told the press on 14 June upon leaving the presidential residence. After this meeting, President Sanchez de Lozada met with MNR deputy chief Juan Carlos Duran and with the ministers in charge of political affairs.

Fernandez added that rather than being interested in UCS votes in the Chamber of Deputies, president Sanchez de Lozada wants "my active engagement, in order to achieve optimum operation of the executive branch. I will not hold a post, but I will be a major presidential adviser," he said, while pointing out that from now on he will actively engage in government team meetings.

He said that at his last meeting with the president a few days ago, he told Sanchez de Lozada that the important thing is to work "with equitableness and respect, that it is not possible to impose decisions, and that it is necessary to find a consensus with all sectors."

Fernandez believes that conditions within the government have now improved and that he will not experience the problems he had in the past.

Repercussions Noted

PY2206185295

[FBIS Editorial Report] La Paz PRESENCIA in Spanish on 15 June, on page A7, carries three articles on reactions to the news that Max Fernandez and his Solidarity Civic Union, UCS, are rejoining the government coalition.

The first 200-word article quotes Deputy Nicomedes Sejas, from the Nationalist Revolutionary Movement, MNR, as saying: "The UCS is not a party with ideological and political principles; it is an organization that obeys the private interests of one businessman." It adds: "One rumor in political circles says the agreement between Fernandez and the government follows negotiations over a large debt the National Bolivian Brewery has with the revenue service."

In another 400-word article Senate Vice President Guillermo Rosso, a former UCS member, is quoted as saying: "The return of Fernandez to the government coalition is a deceit to society and a danger for the future of the country." Deputy Maximo Teran, another former UCS member, said: "The return of Fernandez has again put on the table the controversial subject of debts on account of tax evasion." The political agreement allegedly has something to do with this subject.

Another 400-word article quotes Deputy Carlos Bohrt from the Movement of the Revolutionary Left, MIR, as saying that the return of Max Fernandez will bring a political equilibrium in the government, for the benefit of the country. He said: "It must be pointed out that the successive comings and goings of the UCS from the government discredit the executive branch in the eyes of the public." Deputy Fernando Kieffer from the Democratic Revolutionary Alliance, ADN, said the return of the UCS could help to improve the position of the government, but "the MNR-UCS coalition will not be supported by the public, and the majority it will hold in Congress will not be reflected on the street."

Beni Indigenous People's Decentralization Plan

PY2106221095 La Paz PRESENCIA in Spanish 15 Jun 95 p 2

[FBIS Translated Text] The indigenous communities in Beni have officially proposed the decentralization of the government administration according to the viewpoint of the regional indigenous communities, which particularly demand respect for the rights of the Bolivian native inhabitants.

This proposal is contained in a recently published book entitled "An Indigenous Proposal for the Decentralization of the Government Administration," written by the Beni Indigenous Peoples' Central and the Beni Development Research and Documents Center (Ciddebeni), with the cooperation of the Social Rearch Institute (ILDIS) and the Decentralization Support Project (Proade).

In the case of the Executive Branch, the proposal requests that they be allowed greater participation in the decisionmaking of some institutions through a representative.

They propose that within the framework of the state's democratization, and respecting the executive branch's main guidelines, a new relationship, characterized by a permanent dialogue and cooperation, be established with institutions such as the Police and the Armed Forces. The proposal adds that "in order to solve the permanent problem of the election of regional government representatives, they should be elected by the citizenry, ratified by the CPIB [expansion unknown], and approved by the government through the subprefecture or prefecture. This system should be adopted as a common practice."

The Beni indigenous communities believe in the need for an opening of the political system to study the possibility of creating representative and mediation organizations other than political parties, because the strictness of the political system does not contemplate the diversity of organizations that exist in the country.

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They also believe that priority treatment should be given to the the proposals made by the native people, especially those that directly or indirectly affect them.

The indigenous communities advocate the creation of a commission to permanently work on such issues. The commission should have a council with members of all Bolivian indigenous communities. "Indigenous communities should be aware of the proposals submitted to Congress on matters that affect us. Congress should timely consult with indigenous organizations in the search for a consensus," they add.

Judicial Branch

According to the indigenous communities, the exclusion of their communities and authoritarianism "are reflected by the heavyhanded, discriminatory attitudes that government officials adopt with indigenous people, because court regulations do not apply to indigenous communities or persons. Indigenous people's words are not believed, and they are asked to have a lawyer and money, which are conditions that close the doors to justice.

For this reason, they propose that the legal habits and regulations of indigenous people be recognized as legal instruments for the administration of justice within the indigenous communities, territories, or areas.

At the same time, they add that for the administration of justice involving indigenous communities or persons, their organizations should be consulted in order to find a consensus between the judicial regulations of those communities and the judicial regulations of the state.

Mechanisms for Controlling Government Officials

The indigenous communities believe that the best way to control government officials is to directly engage in the various institutions and development activities.

They add that there must be respect from race to race, from people to people, from government and institutions to indigenous organizations, and from culture to culture, accepting the multi-ethnical nature of indigenous territories.

This proposal for decentralization of the state, which is coupled with the people's participation, has been designed during a series of workshops sponsored by the Board of Beni Indigenous Communities, with the participation of the various ethnic groups of the department. It was published so that Congress can take it into account during the debate on the Administrative Decentralization Law.

Popular Participation Act Praised, Perils Noted

PY2206120095 La Paz HOY in Spanish 13 Jun 95 p 5

[Editorial: "Popular Participation and Its First Results"]

[FBIS Translated Text] It seems that — judging by its results — the Popular Participation Act is one of the best laws the incumbent administration has enacted thus far. It has effectively incorporated urban, indigenous, and peasant communities into the country's economic, legal, and political life in a move to improve their standard of living.

Following many years of republican life, Bolivia has taken the trouble to strengthen economic and political instruments to perfect its representative democracy, guaranteeing equality of opportunity between men and women.

No sooner had the legislation been passed and promulgated than it met with the approval of the local inhabitants, especially those living in rural areas, who are giving their wholehearted support to the grass roots organizations that have sprung up throughout the country, encouraged by the respect for its traditions, customs, and statutory provisions.

Still, the most convincing proof of the success of the Popular Participation Act is to be found in one of the least favored districts of the country, Beni Department, which, together with its capital, Trinidad, had not yet been able to obtain any type of credit.

Now, after three centuries, Trinidad Town Hall — as well as other smaller districts in Beni Department — has been granted loans to enable it to undertake several projects to benefit its population.

This is a clear example that some projects may indeed be implemented by taking into account only regional interests and leaving aside partisan or political ones.

If efforts are channeled in that direction, the Popular Participation Act will undoubtedly be instrumental in achieving a veritable territorial integration by appropriating each region the necessary funds for achieving development.

Nevertheless, the government should take warning from the charges of misuse of public funds made against some officials appointed to put the Popular Participation Act into motion, and proceed with extreme caution as regards this project. These charges can by themselves undermine the credibility of the program, which up to now has received the support of the citizenry.

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It is not a matter of inventing anything new to oversee this project, as the law itself provides for the establishment of the civic control committees [comites de vigilancia], which are under the obligation to supervise the use of funds by demanding an accounting of expenditures and investments made by municipal governments.

There are even other bodies, like the executive branch, which must demand the righting of a wrong, and, finally, the Senate, which may order the suspension of disbursements from the revenue-sharing scheme.

As can be seen, all sorts of corrective measures have been devised to prevent the real meaning of the Popular Participation Act from being perverted. The incumbent administration must keep its eyes open and avoid at all costs the politicization of these organizations, which can seriously jeopardize one of the main structural reforms effected until now.

Credibility before the public is not something that can be taken lightly, as it willingly accepts everything that is positive. As long as confidence in this important legislation is maintained, it will be possible to envisage other structural projects that must be implemented at once.

Brazil

Finance Minister Rules Out Quotas in Other Areas

PY2306031495 Sao Paulo AGENCIA ESTADO in Portuguese 2128 GMT 22 Jun 95

[FBIS Translated Text] Recife, 22 Jun (AE) — Finance Minister Pedro Malan today ruled out the possibility of imposing a quota system, similar to the one imposed in the area of motor vehicles, in other areas of the economy. "Our objective is to expand our international trade by increasing Brazil's exportable production and making our domestic production competitive with exports," Malan said during a news conference in Recife.

The finance minister said what happened to the vehicle industry was unique. "This industry has special characteristics and it is quite concentrated. The measure is not protectionist because it affects imports as well as exports," the minister said. This is why Malan does not consider it "reasonable" to think that what is being done in one area "with the medium- and long-term prospects in mind could, or should, be implemented in other areas."

The minister held the news conference at the Sudene [Northeast Development Superintendency] headquarters after presiding over a meeting of the organization's deliberating council. Malan said that governments never announce when they will introduce changes in the foreign exchange or interest rate and reiterated that the administration is moving toward a reduction of flexibility in the tight monetary and credit situation [as received]. "I will not say when — we cannot do that — but the reduction of interest rates will be gradual, not sudden," the minister said.

Earlier, during his speech at the Sudene plenary meeting, Malan used figures to make a positive evaluation of the Real Plan, and condemned what he called the "party of weak currency" or the "party of inflation." Malan regretted the fact that so many people participate in that broad front "which believes that the government can do everything and that the public treasury must solve all kinds of problems and complaints." Malan said that this front, in fact, wants a return to the tax on the poor through inflation.

The minister said that the government will continue its efforts to keep inflation down, adding that the Real Plan reduced inflation to an index unknown in the past 22 years, without a price freeze and without recession. Malan said that the accrued inflation rate for the first five months of the year (the average of the IGP-R [General Price Index-Real], the IGP-M [General Market Price Index], and the FIPE [Economic Research Institute Foundation]) was 8 percent. The minister noted that basic staples today cost 5 percent less than a year ago and that nominal salaries increased by more than 30 percent during this period.

Malan said the accrued inflation rate during the 12 months before the implementation of the Real Plan was 5,000 percent, adding that without the Real Plan, inflation in 1994 would have reached 7,200 percent, assuming an inflation rate for the second half similar to the one in the first half. Malan also recalled that no other attempt at stabilization lasted as long as the Real Plan.

The minister recognized that there are problems in the social area. "(These problems) humiliate us before the world and ourselves," Malan said, adding that the capacity to solve social problems "not in a demagogic way, but in a continued way" depends on our capacity to assure macroeconomic stability and sustained development.

Asked about the foreign exchange issue, Malan said that he will only speak about what the government will not do: "We will not implement an Argentine-type regime; we will not have a regime of totally fluctuating rates, without Central Bank intervention; we will not return to the system we had before June 1994, or to a foreign exchange rate indexed to inflation on a daily basis." Malan added: "We will continue operating with the system of bands that has served us well."

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The minister also said that no one in the government was carried away by optimism, adding that a stabilization plan has risks in any country. He, therefore, will not accept "a pre-announced defeatism, or a chronicle of an announced failure" only because other plans (Cruzado, Bresser, Verao, Collor 1 and 2) did not succeed. "Of course we have problems, but we must have a minimum of trust in our capacity to face them," Malan concluded.

Central Bank Views Exchange, Interest Rates

Changes Real Exchange Rate

PY2306014095 Rio de Janeiro Rede Manchete Television in Portuguese 2300 GMT 22 Jun 95

[Report by Marcelo Canellas In Brasilia]

[FBIS Translated Text] The Central Bank [BC] has adjusted the exchange rate to balance Brazilian trade and to attract foreign investors. Reporter Marcelo Canellas has the details live from Brasilia:

[Begin recording] The BC has just announced a change in the banding exchange system; that is, the floor and ceiling exchange rates between the real and the U.S. dollar. Up until today, the floor exchange rate of a dollar has been 0.88 reals [R] and its ceiling rate has been R0.99. Effective tomorrow, a dollar will be worth at least R0.91 and no more than R0.99. Thus, the exchange rate will be almost one dollar to one real.

According to the BC, it has been necessary to make these changes because importers were buying foreign made items at very low prices, while Brazilian exporters were selling their products at very high prices. All this was placing Brazil at a disadvantage as far as its trade balance is concerned. The BC stated that this change has been necessary to enter the second stage of the Real Plan, which is expected to have a lower inflation rate.

A provisional measure containing this new exchange rate and economic deindexation rules will probably be issued on 28 June. [end recording]

Joelmir Beting has more from Sao Paulo:

[Begin recording] This new adjustment in the real exchange rate has been expected since the banding system was established in March. The narrow 0.88-0.93 exchange band — a five-point gap — has now been replaced by a broader band, the 0.91-0.99, which has an eight-point gap and which has already moved closer to the ceiling rate for the Real Plan; that is, a one dollar for one real exchange rate.

With this measure, the administration is seeking to make imports more expensive, to encourage exports, and to enhance the purchasing power of foreign investments in the productive sector of the Brazilian economy. This will of course happen if the real does not get stranded at the new floor rate of one dollar for R0.91. In any case, this adjustment is giving a finishing touch to the plan by making the exchange rate of the real a realistic one. Unrealistic exchange rates can only cause problems because they are artificial devices that delay decisions and that jeopardize projects, deals, and jobs. [end recording]

Rejects Interest Rate Regulation

PY2206163995 Sao Paulo AGENCIA ESTADO in Portuguese 2228 GMT 21 Jun 95

[Report by Ribamar Oliveira]

[FBIS Translated Text] Brasilia, 21 Jun (AE) — The Central Bank [BC] feels that the monetary policy management "has been seriously harmed" because the government has been "systematically" compelled to help state banks. In a note dated 6 June and issued by its Economic Department, which was submitted to government leaders in the Chamber of Deputies on 21 June, the BC concluded that things happen "as if state banks were also in charge of printing money."

In a severe diagnosis of current Brazilian problems, similar to those made by economists outside the government, the BC emphasized that the current economic policy is based "exclusively on monetary policy," as "the fiscal policy has achieved no results." According to the BC, results are not achieved "because of the financial conditions in the states and counties."

The note was made to help pro-government lawmakers in a confrontation over an opposition proposal to set annual interest rates at 12 percent. The criticism of the fiscal policy and of state and municipal governments appeared in the middle of the note, when the BC showed the losses that regulating interest rates would cause to the monetary policy.

The note said: "The practical application of a 12 percent interest rate — in real terms — within the current Brazilian context will harm the economic policy, because it is exclusively based on the monetary policy, which is directly tied to interest rates." The BC made two estimates for this year, considering inflation rates of 25 and 30 percent and an interest rate of 4.04 percent until December.

For an annual inflation rate of 25 percent, the real interest rate will be of 22.9 percent annually, while for an annual inflation rate of 30 percent, the real interest rate will be of 18.18 percent. "If real annual interest rates stand at 12 percent, operations with public federal securities will be unfeasible," the note concluded.

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The BC stated that in addition to harming monetary policy, setting interest rates at 12 percent will also discourage the operations of financial middlemen, leading to the creation of an informal credit market; it will increase the risk of returning to a high inflation rate; it will entail losing the transparency in the interest rate system, based on the financial institutions' demand for reciprocity; it will discourage savings, increasing consumption, and consequently indebtedness; and it will promote capital drain.

Labor To Campaign Against Free Wage Negotiation

PY2206194995 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Jun 95 Section 1 p 6

[FBIS Translated Text] The leaders of 14 labor confederations and four union centrals decided on 20 June to begin a nationwide campaign against free salary negotiations.

They expect the government to issue an MP (provisional measure) to enforce the new salary policy next week, ending the readjustment of salaries based on the inflation rate.

The decision to begin a campaign against free negotiation was made at a meeting with PT [Workers Party] Deputy for Rio Grande do Sul Paulo Paim, the president of the Wage Subcommittee of the Labor Committee of the Chamber of Deputies.

"The inflation rate should not be negotiated, but compensated for," says a note signed by nine leaders who attended the meeting. "It is unfair and inhuman to make the working class, which makes so many sacrifices, receive no compensation for salary losses," the note says.

The campaign will begin this morning with a demonstration in front of Congress, sponsored by the CGT (Central Federation of Workers). The demonstration will also protest the government's constitutional amendments.

Paulo Paim this week hopes to arrange an audience between labor leaders and the president of the Republic. "We want no confrontation with the government. We want to negotiate with it and with all congressmen," the deputy said.

Labor leaders are due to meet again on 22 June, to agree on an alternative proposal for the government MP. Paim advocates the automatic adjustment of salaries for annual inflation rates above 9 percent.

PP [Popular Party] Deputy for the Federal District Wigberto Tartuce, president of the Labor Committee, said that the government MP will be coupled with a series of measures for the total deindexation — an end to readjustments based on the inflation rate — of the economy.

"The president told me that we cannot waste the chance to give Brazil an opportunity to reduce, once and for all, the inflation rate with the deindexation of all prices and salaries," he said.

Paim said that if the government does not listen to workers' appeals, labor organizations will pressure congressmen with state meetings to debate on the new salary policy.

The change in the FGTS [Severance Pay Fund] correction index, which is being studied by the government and is part of the deindexation plan, has already received the green light from economic team experts, and is waiting for a political decision by President Fernando Henrique Cardoso.

The idea is to replace the TR (reference interest rate) with the lower TJLP (long-term interest rate) as the Severance Pay Fund index. The labor centrals are also against modification of the FGTS index.

Chile

Conference Concludes Joining NAFTA 'Harmful'

PY2006162395 Santiago EL MERCURIO in Spanish 19 Jun 95 p B3

[FBIS Translated Text] The Chilean Action Network for the Peoples Initiative (Rechip) [Red Chile de Accion por una Iniciativa de los Pueblos] organized a two-day conference called Chile Facing NAFTA. The conference, which involved the participation of 200 social organizations, concluded that to join NAFTA would be "harmful."

The conference addressed subjects such as making the public aware of the social, economic, environmental, and cultural changes that joining NAFTA would imply, and the need to bring together the social, labor, political, and indigenous groups that are currently looking into this issue.

According to Rechip, international delegates to the conference drew a parallel between the promised benefits and the markedly negative results of the actual implementation of the NAFTA. Among the negative aspects they mentioned the closing down of local industries, social polarization, and the loss of sovereignty in Mexico, and the loss of 50 percent of the factory jobs in Canada. The international delegates also reported that unemployment grew in the United States, increasing the power of multinational companies.

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The conference included four workshops to analyze the impact of the current economic model on labor, agriculture, indigenous peoples, and the environment. The workshops concluded that this model does have a negative impact, which will get even worse if Chile joins NAFTA. The conference decided to produce more information, to help educate the public, and to conduct an anti-NAFTA campaign. The participants also resolved to organize regional and sectorial meetings in the coming months; to assemble a national coordinating board for this issue; and to disseminate accurate information for the benefit of the legislators and Chilean and U.S. public opinion.

'Positive Evaluation' of Venezuelan Relations Seen

PY1606202495 Santiago EL MERCURIO in Spanish 3 Jun 95 p C6

[FBIS Translated Text] Foreign Relations Under Secretary Mariano Fernandez reported on 2 June that the governments of Chile and Venezuela have agreed to broaden the economic cooperation agreement between the two countries by speeding up the reduction of custom duties on a number of new products, and by including products to which reductions did not apply at all.

Fernandez made a positive evaluation of Chilean-Venezuelan bilateral relations, adding that they look very promising since there is still a lot of room for further development.

He thanked the Venezuelan Government for supporting Chile's bid for nonpermanent membership in the UN Security Council, as a representative of Latin America and the Caribbean.

Ambassador Roy Chaderton Matos, Venezuelan Foreign Ministry director general, emphasized the interest of the two parties in increasing commercial ties and the flow of investments, which have been greatly stimulated by the economic cooperation agreement.

He also praised Chile's efforts to join the Common Market of the South [Mercosur], adding that Venezuela shares the drive for integration which is spurring the talks involving subregional agreements and blocs like the Andean Pact, to which Venezuela belongs, which is also negotiating an agreement with the Mercosur.

The two officials discussed these and other issues after signing and exchanging copies of the following documents: Academic cooperation agreement between Chile's "Andres Bello" Diplomatic Academy and the Venezuelan "Pedro Gual" Institute of Higher Diplomatic Studies; an agreement allowing dependents of diplomatic, consular, administrative, and technical officials of diplomatic missions accredited in both countries to hold paid jobs; and a note by which the Venezuelan Government reports compliance with the constitutional requirements for the enactment of the agreement on mutual promotion and protection of investments that the two governments signed on 2 April 1993.

Frei Names Presidency Under Secretaries

PY2206130095 Santiago EL MERCURIO in Spanish 26 May 95 p C6

[FBIS Translated Text] President Eduardo Frei has named government adviser Gregorio San Martin as the new telecommunications under secretary. He replaces engineer Jorge Rosenbluth, who takes over next week as under secretary general of the presidency.

Transportation Minister Narciso Irureta made these postings known at the end of a meeting of the Cabinet Council that was held in La Moneda Palace. San Martin is currently the chief of the Strategic Planning Division of this under secretariat, and has acted as interim under secretary when necessary.

Socialists Urge Frei To Exercise Authority

PY2106120095 Santiago LA EPOCA in Spanish 16 Jun 95 p 5

[Report by Claudia Andrea Sanchez]

[FBIS Translated Text] The Socialist Party [PS] yesterday urged President Eduardo Frei's government to "exercise the constitutional authority" bestowed upon it by the 1980 Constitution, in order to "ensure fulfillment of the terms of that very Constitution, which states that no authority may take for its own any function not expressly bestowed upon it by the Constitution." This was asserted yesterday by PS Chairman Deputy Camilo Escalona, who said that Army Commander General Augusto Pinochet's comments to the daily LA TERCERA DE LA HORA reveal "an obvious violation of this constitutional precept."

Within this context, Socialist Jaime Estevez, who is chairman of the Chamber of Deputies, also commented on the Army commander's statements, saying that "the state of law currently in force must be respected" even if the Army finds it "hard" to accept that two of its members must go to jail for homicide. He also said that any other maneuver that the Army might try to carry out "is destined to fail," and asserted that the government is not about to negotiate.

Camilo Escalona said that "there is no doubt that in view of Pinochet's involvement the government must exercise its constitutional power, and the democratic forces must strengthen their unity to prevent the institutional system from being ignored."

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He explained that "exercising constitutional power" means that the Constitution bestows upon the chief of state the authority to order respect for the law if necessary.

Deputy Escalona said that Pinochet's criticism of the Supreme Court ruling and authorities "considerably hinders the normalization in civilian-military relations that has taken place during the past few years." Within this context, he stated, "Pinochet has triggered a period of obvious institutional strain, because he questions the Army's acceptance of a court ruling. This represents a threat without precedent to the country's institutional order."

Regarding the rightist sector's demand that he clearly define his stance regarding General Manuel Contreras' refusal to accept the ruling and Pinochet's comments, Deputy Escalona said: "I believe that all political forces, without exception, should expressly uphold that the Republic's constitutional order must be respected and, in this sense, I hope there will be a greater reaction."

He also disclosed that the chairmen of the member parties of the Coalition of Parties for Democracy will pay a visit to La Moneda palace.

Deputy Jaime Estevez made an appeal that the state of law currently prevailing in the country be "asserted," and emphasized that the three state branches agree on the obvious lawfulness of the laws. "Those who exercised a dictatorship may find it hard to accept this, but they will have to do so because that is the essence of a state of law in a democracy."

Estevez asserted that Pinochet's comments are "mistaken" in comparing the Nuremberg trial with Manuel Contreras and Pedro Espinoza's trial. He said that they were both sentenced by the Supreme Court under the 1980 Constitution and the rules established by the military regime itself.

Estevez said: "What lies behind all this is a clear feeling of impunity," and "I think that a characteristic of people who have exercised a dictatorship is to feel that they enjoy impunity in their actions."

Estevez said that the operation carried out on 13 June was "obviously conducted by the Army." Asked whether he did not fear a "harsher" reaction by the military to avoid having Contreras and Espinoza finally taken to jail, he said that "many things can happen during a transition. I hope that, for Chile's sake, nothing will happen here, but if something does it is condemned to fail."

Regarding possible negotiations between the government and the Army over Contreras serving his sentence somewhere other than in a prison, Estevez emphatically asserted that "President Frei has been extremely clear, and justice will not be negotiated. Now then, it is not important what prison he goes to."

Regarding the rumors that the Army had demanded that the government allow Contreras to serve his sentence at a Navy precinct, he said that "that is not appropriate, because a person who has been sentenced must serve his sentence in a National Prison Police precinct."

Referring to Pinochet's interview, Estevez asserted: "I do not know why Pinochet compares himself with Hitler and the Nazis, when nobody else here has tried to do that," with reference to the historic Nuremberg trial.

The chairman of the Chamber of Deputies said that two people, and not the Army in its capacity as an institution, have been tried.

Socialist Deputy Juan Pablo Letelier yesterday minimized Augusto Pinochet's comments, saying that "they are good neither for the country nor for its institutions, and, in fact, the important thing is that Contreras will go to prison, and I hardly care what Pinochet has to say. He has to respect the Constitution and the laws." He added that this shows that the country "is still undergoing a transition process."

Letelier said that "we all accept the rules of the game, despite the fact that we may not like some of them, but we have to accept them, and according to these rules Contreras must go to prison." He added that what must bother the military is that "one of their colleagues was charged as a criminal by the Supreme Court."

Letelier said that they (the Army) "are at the borders of the law, as Deputy Jorge Schaulsohn has stated, but this is a very risky game to play."

Regarding the possibility that the Army might react more harshly to prevent Contreras from going to prison, the PS deputy and son of Orlando Letelier said that "all that should be said is that it is an Army problem, and that Pinochet is to blame for getting it involved. Unfortunately, I am certain that he does not represent the entire opinion of the Army. [sentence as published] He has every right to believe what he likes, and even to do what he did the other day, to abusively use the rules of the game if he wants to play being smart, but that is his business."

He insisted that "I couldn't care less about Pinochet. Manuel Contreras and Pedro Espinoza are criminals, and if they are going to protect criminals they must say so, and if not they should be honest with the people and not make abuses."

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As for Contreras and Espinoza's ailments, he said: "Excuse me for what I am going to say, I do not want to sound offensive, but when I see how Espinoza and Contreras act I am more and more convinced that they are criminals and cowards. The general and the brigadier are now hiding, saying they are sick, but nobody believes them. It does not fit the honorable image they seemed to enjoy."

"This is part of the crazy geography that [Chilean poet Pablo] Neruda use to talk about. Pinochet has a right to believe whatever he wants."

As for Deputy Maria Angelica Cristi's comment that transferring Contreras avoided a clash, Letelier said: "Maria Angelica should reflect more before talking. She should think with her head and not just with her guts when talking, because she, along with her party, was among those who approved the draft bill creating special prisons, and I would like her to respect the rules we approved jointly."

'Excellent Impression' of Economic Development

PY2106031595 Santiago Universidad Catolica Television Internacional in Spanish 0100 GMT 21 Jun 95

[FBIS Translated Text] Foreign Minister Jose Miguel Insulza said today that during the Mercosur [Common Market of the South] meeting he was able to verify the excellent impression that prevails concerning Chilean economic development.

Minister Insulza returned this afternoon from Sao Paulo, where he lectured on the Chilean economic situation before 32 businessmen of the countries that make up the Mercosur. Insulza said he was able to verify once again the excellent impression that prevails as concerns Chilean economic development.

Insulza also said he had to calm the businessmen about the events in Chile involving the Letelier case.

Secretariat General of Presidency Changes Seen

PY2006035895 Santiago EL MERCURIO in Spanish 27 May 95 p C3

[FBIS Translated Text] A number of changes have taken place in the Secretariat General of the Presidency [Segpres] within the framework of a new policy on the part of this ministry designed to implement the government program in a more efficient manner.

This new strategy is being implemented after a long period of stagnation in actions by the Executive Branch, caused, according to this ministry's officials, by poor coordination among the member parties of the Coalition of Parties for Democracy [CPPD] and the various ministries. According to a politician, "sometimes it seems as if the message given is not understood or is misinterpreted."

Within this context, and in order to contribute to the changes, Pedro Correa, chief of the Segpres Legal Department, resigned from his post yesterday. He will be replaced by Carlos Carmona, the current head of this ministry's executive division.

Recently various sectors, including the Christian Democratic Party, have criticized Minister Secretary General of the Presidency Genaro Arriagada.

The main sign of the changes within this ministry was the decision to appoint Jorge Rosenbluth as the under secretary, replacing Angel Flisfisch, whom the government has appointed new public security and information secretary as well as executive secretary of the Interministerial Coordinating Committee. Rosenbluth had already served at the Government Secretariat under Patricio Aylwin's administration.

It was also learned yesterday that Segpres Administrative Division Chief Jose Cisternas had resigned.

In March 1990 former President Patricio Aylwin appointed Pedro Correa to his post and charged him with creating an organization that would carry out liaison among the ministries, the president of the Republic, and the president of Congress regarding legislative matters.

Correa handled this job together with Edgardo Boeninger, who at that time was minister secretary general of the presidency, and they created the Juridical Legislative Division.

Since then 900 drafts were sent to Congress; 640 of them were bills and the rest were drafts for international agreements. Congress approved 419 bills, and 221 are still pending.

Pedro Correa said that the Juridical Legislative Division streamlined the production of draft bills and clearly became the main source of proposals for Congress.

He explained that the division was able to do all this work with just 10 professionals in its offices in Santiago, and in both chambers of Congress in Valparaiso.

Correa said that he is resigning for personal reasons only. "It is unfortunate that working for the government in Chile implies permanent economic hardships. It is not proper to demand effectiveness if public servants are not paid adequately for their work," he stated.

He did admit, however, that the timing of his resignation is partly due to the replacement of the under secretary. "I believe that if the idea is to refocus this secretariat,

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then Minister Genaro Arriagada should be free to act," Correa said.

He believes that the division must hire more experts on a variety of subjects, and make sure that the administration's legislative efforts are truly channeled through the Segpres so that certain ministries do not start submitting bills on their own.

Velasco Comments on National Security, Freedom

PY2106190295 Santiago EL MERCURIO in Spanish 21 Jun 95 p C7

[FBIS Translated Text] Interior Under Secretary Belisario Velasco has said that for the government it is essential that a suitable balance between security and freedom be reached.

He explained that in a democratic system all institutions should operate with prudence, allowing equal distance between the freedom they must guarantee to citizens and the security and stability that are necessary for appropriate institutional development and normal national coexistence.

Velasco spoke at an academic meeting related to security affairs, sponsored by the Carabineros.

Velasco said security is not a goal in and of itself, and that on the contrary the search for security seeks to guarantee — through order and justice — the appropriate living conditions. "That is why we must be alert to avoid repeating the mistakes of the past. Security rules and procedures should never neglect this public goal."

He admitted that for some years now there has been a growing demand for security in Chile. However, he went on, for the government this growing demand does not reflect a real intensification of crime.

Responsible Press

According to Velasco, this attitude is partly the result of specific treatment by the mass media, "which chose a sensationalist approach, focusing on people's fears and anxiety in order to draw their attention."

Belisario Velasco advocated responsible journalism, noting that journalism should not be exercised to the point of creating a fictitious atmosphere of insecurity.

He reiterated that for the government, security involves all sectors of society.

Security, he emphasized, is not the exclusive responsibility of the sector that generates it or that guarantees it. It is the responsibility of those for whom government action has been designed. That is why the government considers that it is a priority target to make everyone cooperate in the creation of an atmosphere of social peace and tranquillity.

Political Cost

In his briefing, Velasco said that there is a price to be paid for every government action. This is also true for security. He explained that the government has traditionally paid the political cost of security.

At the same time, the government and Congress earmark funds for police organizations within the framework of equitable distribution, properly pondering the needs and priorities for improving the quality of life.

Velasco emphasized that crime, which is one of the main threats to security and the main generator of fear and insecurity among the population, can skillfully find alternative methods, rapidly adapting itself to protective measures. "Consequently, this calls for constant and accurate evaluation of the plans and programs for prevention and control" implemented by the institutions.

Pinochet Expresses Solidarity With Cuadra

PY2306031595 Buenos Aires TELAM in Spanish 1844 GMT 22 Jun 95

[FBIS Translated Excerpt] Santiago, 22 Jun (TELAM-SNI) — Chilean Army Commander General Augusto Pinochet expressed solidarity with his ex-Minister Francisco Javier Cuadra, who is in prison for offending legislators.

General Pinochet sent Cuadra, who is in prison, a book and an expression of solidarity through his legal adviser, Hernan Novoa, who said that Pinochet had "a great affection" for Cuadra, although he did not have an opinion on the legal process affecting him.

Cuadra, ex-minister secretary general of government and ex-ambassador before the Vatican during the military regime, was detained on 19 June for violating the State Security Law when he accused legislators of consuming cocaine, a charge he was not able to prove in court. [passage omitted]

Pinochet Support Questioned

PY2306040195 Santiago Universidad Catolica Television Internacional in Spanish 0100 GMT 23 Jun 95

[FBIS Translated Excerpt] Francisco Javier Cuadra [ex-minister under the Pinochet administration] will plan his defense strategy in prison.

Deputies of the National Renewal questioned the alleged support given by Army Commander General Augusto

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Pinochet to Cuadra, who was indicted for violating the state security law. [passage omitted]

In the meantime, the alleged greetings conveyed yesterday by Army Commander General Pinochet to Cuadra engendered a strong reaction from National Renewal deputies. According to the information they have, General Pinochet did not convey any support to Francisco Javier Cuadra.

[Begin National Renewal Deputy Carlos Vilches recording] Under no circumstances can the Armed Forces, and definitely not their high command, express an opinion on pending judicial cases, especially when they affect another government branch, such as Congress. [end recording]

Further Details on Army Corps of Generals Meeting

PY2206205395 Santiago EL MERCURIO in Spanish 22 Jun 95 p C2

[FBIS Translated Excerpt] The Army Corps of Generals held another and unexpected neeting yesterday from 0845 to 1425 in the offices of the Army deputy commander, located on the sixth floor of the Armed Forces building.

The meeting was "urgently" called on 20 June by Army Deputy Commander General Guillermo Garin in order to evaluate the recent events of the Contreras case and its consequences, in addition to other military issues.

Brigadier General Fernando Torres Silva, Army auditor general, made a lengthy evaluation of the recent events, the health condition of retired General Contreras, and the events that may develop from this case in the near future.

Army Commander General Augusto Pinochet did not attend the meeting. He carried out his normal activities and then had lunch with the Army chaplains, headed by Monsignor Joaquin Matte Varas, ex-Army chaplain general, and Father Florencio Infante.

The importance of this new high command meeting with the Army deputy commander was reflected in the presence of the generals who command military units in the provinces, including Brigadier General Carlos Chacon, chief of the 1st Army Division of Antofagasta, and Brigadier General Patricio Acevedo, chief of the 6th Army Division of Arica. They arrived in Santiago by plane on the night of 20 June. [passage omitted]

Colombia

ELN Letter to Ambassador Says U.S. Prolonging War

PA1806121295 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 18 Jun 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] The ELN [Army of National Liberation] continues to write proposals from Modelo Prison in Santa Fe de Bogota. The addressee of the latest letter is U.S. Ambassador Myles Frechette. In broken English, the ELN tells the United States the weapons it is sending to combat drug trafficking are being used against the guerrillas.

Over the last few hours, the existence of a letter from the ELN to U.S. Ambassador Myles Frechette became known. In the letter, which is written entirely in English, the ELN recommends that the U.S. Government not sponsor economically, logistically, or professionally the Colombian Armed Forces and intelligence organizations.

The text of the letter reads: Your participation in the conflict prolongs the war.

The ELN also referred to drugs as follows: It is a crime, a plague against humankind. We have remained outside the drug business. That behavior gives us the moral authority to propose solutions.

The offensive language formerly used against the North Americans is not present in the letter. The ELN's remarks on drugs clearly contradict the positions of other rebel groups.

New Group Los Pablos Declares War on Cali Cartel

PA2306011295 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 23 Jun 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] A communique signed by a group calling itself Los Pablos and declaring war on the Cali Cartel unexpectedly appeared tonight.

According to the communique, the group has decided to assassinate Gilberto Rodriguez Orejuela, Carlos Lehder, and Miguel Rodriguez Orejuela, and should the latter be captured, the group would turn him over to U.S. authorities.

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Ecuador

Vice President on Debt With Social Security Institute

PA2106011195 Quito Voz de los Andes in Spanish 2300 GMT 19 Jun 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Vice President Alberto Dahik, an economist, has reiterated that the executive branch has expressed its desire to cancel its debt with the IESS [Ecuadoran Social Security Institute] through the issue of securities. This will allow the state to cover its liabilities with the IESS in a reasonable period of time.

Regarding the strike being waged by health and judicial workers, he has said he believes their needs will be attended to in keeping with the economic conditions of the government, adding no one can talk about an economic boom just after the country experienced a war.

Ecuadoreans must understand the country has experienced a difficult situation requiring the sacrifice of all Ecuadoreans, Vice President Alberto Dahik has said. In addition, the vice president has said the country's fiscal gap can definitely be blamed on the cost of the conflict with the neighbor to the south. In brief statements to the press, the vice president has said the government was forced to adopt a series of measures that included budget cuts, a 2 percent tax on vehicles, and the two-day wage donation. These measures generated some resources but were insufficient to cover the fiscal deficit, the official added.

Meanwhile, Finance Minister Mauricio Pinto has expressed his optimism over the draft of the fiscal gap report, which must be presented by the members of the Mixed Commission. This commission is comprised by government officials and deputies of the Legislative Budget Commission. Pinto has said the ministry is open to provide the information that will allow a certification of the fiscal deficit.

Regarding the increase of energy rates, which was suspended until Congress finds viable alternatives to finance the deficit, the minister has said political criteria should not guide actions, adding that authorities will have to proceed with the hike in energy rates if the legislature is unable to offer a positive response.

Foreign Minister Leoro on Normalizing Relations With Peru

PA2306042495 Quito Voz de los Andes in Spanish 1700 GMT 22 Jun 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The governments and peoples of Ecuador and Peru have the best intention to start normalizing slowly their relations at all levels following the undeclared war they waged in January and February 1995 [words indistinct] more reciprocity by Peru, according to Ecuadoran Foreign Minister Galo Leoro. We are willing to start normalizing our relations at all levels insofar as Peru is receptive enough because I believe it has failed to be as reciprocal as we have expected, he has told reporters. Leoro has said we are completely willing in this regard to bring about the exchange of prisoners, which, he added, was interrupted by the strike Ecuadoran legal workers are staging.

Paraguay

OAS's Gaviria on Democracy, Drug Enforcement, Cuba

PY2006174495 Asuncion ULTIMA HORA in Spanish 16 Jun 95 p 8

[FBIS Translated Text] On the morning of 16 June, OAS Secretary General Cesar Gaviria met with the presidents of both chambers of Congress and with bloc leaders and deputy leaders.

Gaviria said that this meeting was instrumental in explaining to lawmakers the new OAS orientation — i.e., the subjects and problems on which the regional organization is working — and its approach to contributing to the strengthening of democracy in the countries of the Americas.

With regard to this point, the distinguished visitor confirmed that the OAS will contribute toward the defense and buttressing of democracy in Latin America, and especially in Paraguay.

Asked about the progress made in the struggle against corruption and drug trafficking, Gaviria replied that before talking about what has been gained or lost, one should rather define what could be done from a multilateral standpoint in this regard, so that this action is not merely pursued through bilateral agreements.

He emphasized: "We should see what can be done to create an atmosphere of greater international accord for this endeavor, what can be done to have greater judicial cooperation, what can be done so that all countries may take advantage of the others' experience, so that

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Paraguay, for example, may put the experience of other South American countries to good use."

With regard to the possible resumption of diplomatic relations between Paraguay and Cuba, the OAS secretary general said that he could not meddle in the sovereign decision of a country like Paraguay, which — he believed — only has relations with countries having a democratic system of government.

In concluding, he pointed out: "I think that is a sovereign decision on the part of this country, which I understand has a policy that admits to diplomatic relations only with wholly democratic countries. I am nonetheless convinced that Paraguay would adopt another course of action in terms of its foreign policy interests."

Following a meeting with Vice President Angel Roberto Seifart this morning, Gaviria recommended that all the elements of reconciliation in the current process of the consolidation of democracy be taken into consideration. He thus referred indirectly to a question about the participation of former pro-Stroessner politicians in Seifart's election campaign [for the Colorado Party presidency]. He underscored the need for all nascent democracies to give an opportunity to all political sectors so that they may return to the fold.

During his meeting with Seifart, the OAS secretary general informed the vice president about the latest endeavors of the organization he presides over to protect human rights and the environment, as well as the new problems confronting the hemisphere.

Following this interview, Gaviria went to the National Tourism Department on foot, and from there to Congress, something which caused surprise to passers-by and motorists.

Foreign Vice Minister Cavazzoni Installed

PY2106031495 Asuncion ABC COLOR in Spanish 16 Jun 95 p 15

[FBIS Translated Text] Former Paraguayan Ambassador to Italy Jose Domingo Zanotti Cavazzoni was installed on 15 June as vice foreign minister for foreign policy affairs, replacing Dr. Oscar Cabello Sarubbi. The installation ceremony was held at noon on 15 June at the Foreign Ministry hall of ceremonies. Foreign Minister Dr. Luis Maria Ramirez Boettner, Vice Foreign Minister Luis Enrique Chase Plate, and Vice Foreign Minister Antonio Felix Lopez Acosta were present at the ceremony.

Concerning his appointment, Zanotti Cavazzoni said: "If you want to use a comparison, this post represents a shoe that may be too large for me, but, as I walk, my feet will grow into the shoes and the shoes will fit well." Zanotti Cavazzoni promised that he would use all his abilities in cooperating with the programs that the Foreign Ministry wants to implement.

Former Vice Foreign Minister Cabello Sarubbi will occupy Zanotti Cavazzoni's previous post of Paraguayan ambassador to Italy. Cabello Sarubbi will travel to Rome on 17 June to assume his new post.

Argentina's Di Tella on Misinterpretation of Remarks

PY2006123895 Asuncion ABC COLOR in Spanish 20 Jun 95 p 17

[Article by special correspondents]

[FBIS Translated Excerpt] Sao Paulo — Argentine Foreign Minister Guido Di Tella gave a news conference on 19 June for Paraguayan journalists to deny that he had said in London that he does not like Paraguayans and Bolivians. He termed as "ridiculous" what had been published on the matter, and he explained that a journalist had deliberately misinterpreted his remarks. "It is chicanery," Di Tella told the Paraguayan journalists, indicating that there are political interests at play, and that he has identified the journalist who disseminated the report. [passage omitted]

Di Tella also explained here in Sao Paulo to his Paraguayan colleague, Luis Maria Ramirez Boettner, and his Bolivian colleague, Antonio Aranibar Quiroga, that his remarks in London had been misinterpreted. He also promised Ramirez Boettner that when he returns to Buenos Aires he will answer the note that was sent to him from Asuncion.

Peru

Possible Changes in Armed Forces, Cabinet Examined

PY2206185495 Lima EXPRESO in Spanish 9 Jun 95 p A2

[FBIS Translated Text] The Huaringas effect — an expression that is now used to half-seriously, half-jokingly to refer to government structural changes, in an allusion to the president's visit to the mystic lagoons of the Piura mountains just before the cabinet reshuffle — might reach the Armed Forces and the National Police. And it might prompt additional cabinet changes.

Key Piece

The key piece that, if moved, will cause a domino effect and a series of adjustments is Peruvian Army General Victor Malca Villanueva, the current defense minister, executive branch sources have told EXPRESO.

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Malca might be designated ambassador, and his post might be taken over by no one less than the current Army commander in chief, Nicolas de Bari Hermoza Rios.

The post of Army commander might be assumed by Peruvian Army General Juan Briones Davila, the current interior minister, who should replace the commander for seniority reasons.

The Interior Ministry portfolio would be assigned to Peruvian Army General Alberto Rios Rueda, chief of the Third Military Region headquartered in Arequipa and former chief of the Military Household of the presidency.

Another Candidate

Another possible candidate for the Defense Ministry is General Howard Rodriguez Malaga, chief of the Army Staff. However, this candidacy might be hindered by charges of engagement in political propaganda — he reportedly disseminated calendars with the president's picture in Piura — which were pressed against him at the beginning of the electoral campaign.

At the PNP [Peruvian National Police]

PNP General Fernando Gamero Febres, the current Dinincri [National Crime Investigative Directorate] director general and a former Fiscal Police chief, might be designated as head of the PNP.

Strictly speaking, this post should be assumed — for seniority reasons — by PNP General Jose Zuta Valqui, chief of the PNP Staff, but he is sick and for this reason will go into retirement within the next few days.

Ketin Vidal

The most senior officer after Zuta is General Antonio Ketin Vidal Herrera, the PNP inspector superintendent. However, it has been said that the most famous Peruvian policeman — because of the arrest of Abimael Guzman — is resisted among military circles, especially in the intelligence community, whose top figure — Vladimiro Montesinos — was a cadet at the Chorrillos Military School at the same time Vidal was also studying at the school.

Intelligence circles criticize what is considered to have been an excessively active role on the part of Dincote [National Counterterrorism Directorate] and of Vidal Herrera himself in the arrest of the Shining Path leader, to the detriment — as they put it — of SIE (Army Intelligence Service), Dina (Naval Intelligence Directorate), and DIFA (Air Force Intelligence Directorate).

As a consolation prize, Ketin Vidal — as he is popularly known, because many people wrongly take his second name Ketin as a surname — will be reportedly offered a post of military attache in an embassy.

Another candidate to head the PNP is General Nestor Tafur Lopez, current director of the Public Assets Department, although he is considered the baby of the family.

Also in Justice and Health

Two other changes — which, like the others that are mentioned in this article, might take place on 28 July — might occur in the justice and health portfolios. Current Justice Minister Fernando Vega Santa Gadea, who has long said he would like to leave government, is being considered as the next ambassador to Spain, the country where he did his university studies. The sources refused to name the possible replacements, but two candidates are known to have good chances. Neurosurgeon Marco Gonzalez Portillo might be the next health minister.

Uruguay

Rumors of 'Seriously Ill' President Denied

PY2206212095 Buenos Aires TELAM in Spanish 1553 GMT 22 Jun 95

[FBIS Translated Text] Montevideo, 22 Jun (TELAM-SNI) — The independent weekly BUSQUEDA reported today that Uruguayan President Julio Maria Sanguinetti has emphasized that he is in perfect health and that rumors that he is seriously ill are nothing but attempts to destabilize his government.

Official sources quoted by BUSQUEDA say the government is investigating the source of these rumors, adding that many of those responsible have already been discovered.

The rumors state that the Uruguayan president is suffering from a brain tumor, heart disorders, cancer, and even Parkinson's or Alzheimer's disease.

Sanguinetti said the rumors began circulating during the recent electoral campaign and escalated after he was inaugurated on 1 March.

Sanguinetti said: "It was just a problem that affected my private life, but now it affects our country's institutional system."

Since his inauguration, the Uruguayan president has stayed as far away as possible from the media, appearing in public on just a few occasions, and delivering very few speeches.

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In the opinion of some of his closest assistants, this conforms to "his political decision of speaking as infrequently as possible." This is very different from his first term of office (1985-90) when he permanently appeared in the media, displaying his well-known talkativeness.

The rumors have also crossed the borders; to such a point that, during his recent tour of Brazil, the Porto Alegre authorities offered a medical emergency ambulance service "to take care of the Uruguayan president's heart problems."

Sanguinetti, 59, asked his assistants to investigate the source of these inaccurate rumors. Intelligence service agents reported that two of the sources who made the commentaries have already been discovered.

Presidential sources told TELAM-SNI that various methods have been used to disavow these rumors, including "the issuance of an official communique with a medical report confirming the president's excellent condition."

Nevertheless, this idea of releasing a medical report on the president's health has been rejected by the president's closest assistants, who described it as "naive."

The president's closest assistants considered the possibility of Sanguinetti discussing the issue in the media. This possibility was ruled out after it was estimated that it would not achieve anything positive.

Some government officials raised the idea of direct action, like sending photographs to the newspapers showing Sanguinetti practicing his daily workout at his residence in Punta Carretas, Montevideo.

Venezuela

Government Rejects Cuban Protest Over Guantanamo Visit

PA2306033995 Caracas EL GLOBO in Spanish 22 Jun 95 p 8

[FBIS Translated Text] The Venezuelan Government has rejected a protest note that the Havana Government issued yesterday in the wake of a visit by Ambassador Carmen Martinez de Grijalba, consular relations director of the MRE [Foreign Affairs Ministry], to the Guantanamo Naval Base last week to negotiate asylum for 23 "rafters" held in that U.S. military installation.

Foreign Affairs Minister Miguel Angel Burelli Rivas pointed out that Cuba protested Grijalba's visit to Guantanamo because with this visit Venezuela "recognized that it (Guantanamo Base) is U.S. territory."

A U.S. military base, which was establish early this century, operates in that zone situated on the extreme east of the island.

Burelli Rivas clarified that Venezuela rejects that protest, because the Venezuelan diplomat's effort "was motivated by humanitarian reasons," and he added that "we will reply to the note by saying that we reject the protest, because this involves a humanitarian act coordinated with the World Migration Organization. Venezuela will continue this effort."

On 20 June, the foreign minister told the Senate Foreign Policy Commission that Grijalba had traveled to the refugee camps established by the U.S. Army to meet with 98 refugees who had requested asylum, and she added that only 23 of them had fulfilled the requirements that the Venezuelan Government demanded in order to welcome them as immigrants. Burelli said yesterday: "We will accept the 23 rafters, and for this purpose we will be sending a plane to Guantanamo this weekend." According to guidelines established by the MRE and the Interior Ministry, the applicants must have relatives with up to third degree consanguinity established in Venezuela, and they must cover the cost of the trip.

The foreign affairs minister said at the 20 June session that Venezuela has always supported humanitarian causes, and this stand led the national government to welcome a group of "rafters" to Venezuelan territory in January, after several countries on the continent had refused to grant them permission to enter their territories.

According to unofficial figures, 28,000 Cuban exiles, the second largest community on the continent after the one in the United States, could be residing in the country.

As of today, about 100 refugees have arrived in the country from the Guantanamo camps and the Panama Canal Zone, which is under U.S. jurisdiction.

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